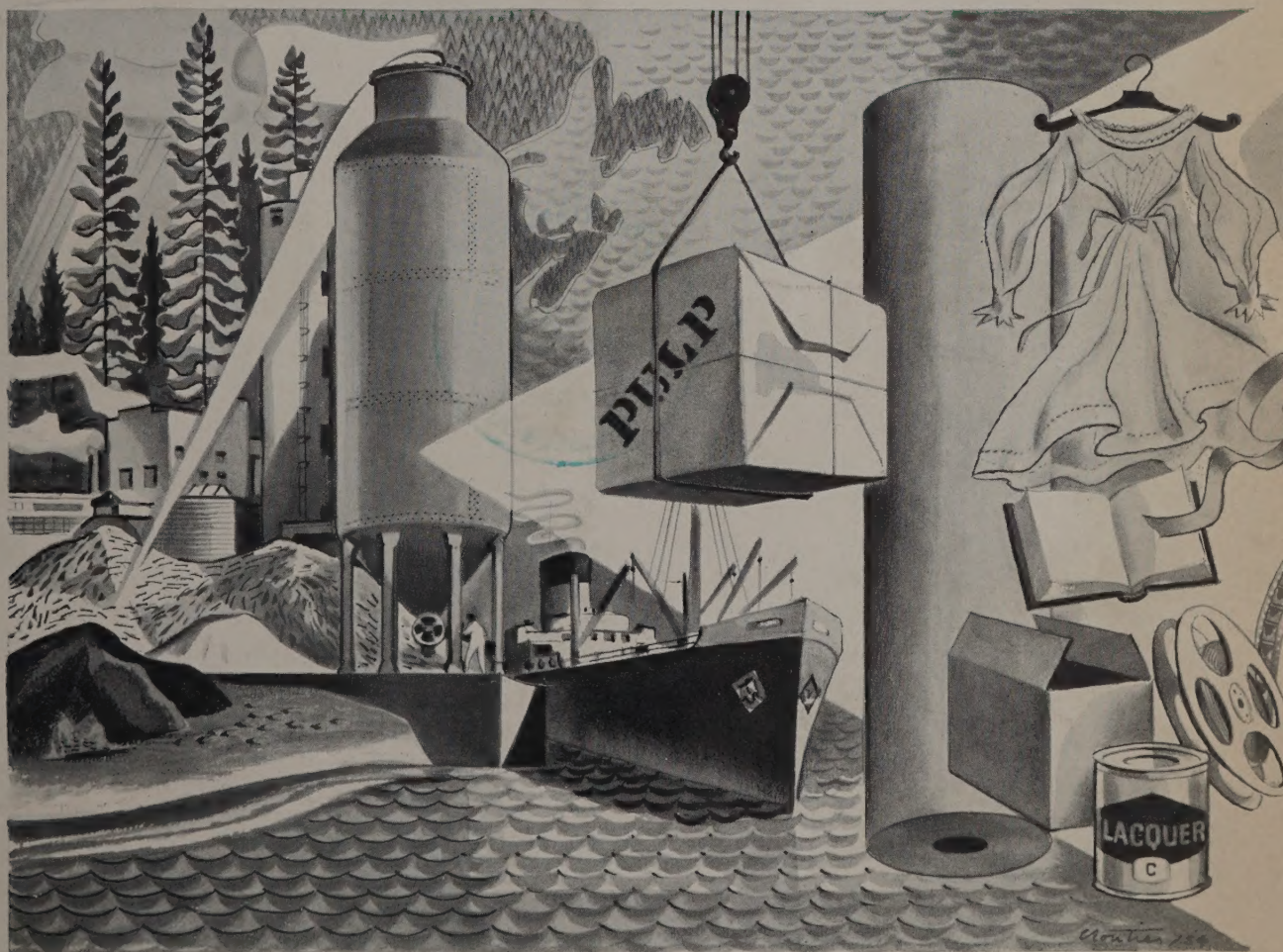


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JANUARY 22, 1955

foreign trade



WORLD MARKETS for CANADIAN WOOD PULP

World Markets for Canadian Wood Pulp

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foreign trade

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COVER Our cover design illustrates the story of wood pulp, from its beginnings in the forest to its final transformation into a variety of end products. On the left, evergreens, the mill, the pulpwood pile and the digester. In the centre, the baled and wrapped pulp starting on its journey to export markets. On the far right, some of the products in which it is used—newsprint, cartons, book and printing papers, lacquer, paper tapes, film and rayon fabrics.

By Way of Introduction . . .

IN THE FOREIGN TRADE OF CANADA, wood pulp is an important commodity which has, perhaps, not had the recognition it merits and requires. Wood pulp accounts for seven per cent of the value of all Canadian exports and, exceeded only by newsprint, wheat, and lumber, ranks fourth in value among all Canadian products exported. It is thus one of the dominant factors in Canada's trade abroad. I am glad, therefore, that this issue of "Foreign Trade" is devoted to it and its place in the business of the nation.

Wood pulp is a basic raw material of increasing industrial importance. It is made in a variety of ways and in a variety of forms but, in essence, it is wood fibre—or cellulose, to the chemist. Pulp is the raw material of paper and paperboard; it is also a raw material used in the manufacture of many other products including rayon, paints and lacquers, sponges, explosives, photofilm, cellophane, artificial leather, and plastics.

It moves freely in world trade and enters virtually all markets duty free. Canada and Sweden, each with pulp exports of some two million tons annually, account for two-thirds of the world's trade in pulp.



Not only is wood pulp an important element in Canada's exports, it is of growing importance. Prewar, Canada's annual pulp exports averaged 700-thousand tons with a value of \$30 million. They now exceed two million tons with a value of \$270 million. In developing this trade abroad, the pulp and paper mills have benefited from the aid and wise counsel of those able workers for Canada, the Trade Commissioners abroad. In forty-two countries day by day throughout the year they have helped to make Canada and her products better known around the globe.

Many countries envy the way Canada is served by her civil servants at home and abroad. Many envy the understanding existing between those in Canadian government service and those in Canadian industry. Nowhere is this fortunate situation more manifest than in the Foreign Service of the Department of Trade and Commerce and in its effective work of extending and developing Canada's export trade.

A.M. Fowler.

PRESIDENT,
Canadian Pulp and Paper Association.

World Markets for Canadian Wood Pulp

More than 90 per cent of the wood pulp made in Canada for sale moves to markets abroad. Here is an analysis of the trend in wood pulp exports since the war—and some evidence on which to base an encouraging forecast for the future.

Forest Products Section, Commodities Branch.



The story of wood pulp begins with pulpwod.

—Malak

PULP AND PAPER—the industrial giant of Canada's expanding economy—is better known and appreciated today than ever before. As the nation's biggest industry, it contributes to the economic well-being of every Canadian. With its 131 mills located in thriving communities across the country, the industry generates, directly and indirectly, one out of every seven dollars in wages and salaries earned by Canadians and makes by far the largest individual contribution to the national income. It also stands first in gross and net value of production, with a gross value currently close to \$1.2 billion a year. And it is the largest industrial buyer of goods and services in Canada.

The Canadian pulp and paper industry now produces close to ten million tons of products, including over 1,000 different types and grades of pulp and paper for sale at home and abroad. These products can be broadly classified in four main groups: one, newsprint, which accounts for 60 per cent of total production; two, pulp made for sale and for conversion elsewhere, 23 per cent of total production; three, paperboard and building board, about 10 per cent of total production; and four, other papers, including book, writing, tissues, wrapping, industrial, and fine rag papers, about 7 per cent of total production.

Over three-quarters of the total output of pulp and paper products is exported, with newsprint far in the

lead; about 93 per cent of newsprint production is sold abroad, chiefly to the United States. Of the pulp manufactured for sale, more than 90 per cent is exported. Thus the pulp and paper industry leads all others in the value of its exports—some \$900 million a year—and contributes to the daily activities of people in many countries.

Trade in Wood Pulp

Not as well known, perhaps, is the segment of the industry which provides wood pulp, the intermediate raw material for further conversion. Manufactured by one of several methods, wood pulp is the essential raw material of pulp and paper and of many chemical products. The current annual output of close to ten million tons of all grades of pulp, (including nearly 500 thousand tons made from rags, waste paper and other fibres) is well over double prewar production. About 73 per cent of total wood pulp output is used in the producing mills for further processing into paper or other finished products. The remaining 27 per cent is turned out for sale, chiefly in export markets.

The reports contained in this issue of *Foreign Trade* deal primarily with wood pulp exports and cover the supply of and demand for pulp in countries where it is being or can be sold. Before the war, Canadian pulp accounted for less than 15 per cent of all pulp moving in international trade and was distributed to only about 13 countries; today Canada is one of the world's leading wood pulp exporters and accounts for almost one-third of all international movement of pulp. Canadian pulp now goes to some 35 countries and these exports total about two million tons a year. Tables I and II supplement the information contained in the Trade Commissioners' reports and summarize the statistics, in order to point out how important export trade is to the wood pulp industry.

Table I shows that production of all grades of pulp has more than doubled since before the war. Exports have trebled and currently represent about 23 per cent of total wood pulp production, compared with about 17 per cent before the war. Chemical pulps, which account for about 40 per cent of total pulp production, are the main export grades, with close to 50 per cent of output exported. Mechanical grades,

Table I
Canadian Wood Pulp Exports by Grades to All Markets

(in thousands of tons)

Grades	1935-39 Average		1947		1951		1952		1953		1954 Est.	
	Exports	% of Prod.	Exports	% of Prod.	Exports	% of Prod.	Exports	% of Prod.	Exports	% of Prod.	Exports	% of Prod.
Bl. sulphite-dissolving	314	80	292	95	363	89	339	88	383	90	400	88
Bl. sulphite-paper grades			242	61	244	56	230	58	240	57	323	61
Unbleached sulphite	119	17	485	37	555	33	432	27	350	23	350	22
Bl. and semi-bleached sulphate	105	39	182	84	476	89	491	91	535	85	623	85
Unbleached sulphate			135	29	233	34	154	28	171	29	198	31
Groundwood	143	5	319	8	323	6	255	5	228	5	235	4
Screenings	17	17	22	15	16	12	11	10	9	9	235	4
All other pulps	11	52	22	20	33	13	29	13	35	15	39	14
Exports—Total all grades ...	709	17	1,699	23	2,243	24	1,941	22	1,951	22	2,179	23
Exports—% increase over 1935-39			140		216		174		175		206	
Production—All grades	4,266		7,254		9,314		8,968		9,014		9,610	
Production—% increase over 1935-39			70		118		110		111		125	

accounting for about 57 per cent of total production, move mainly to the domestic market and only about 4 per cent is exported. The bleached chemical grades lead in ratio of production exported; exports account for about 85 per cent of bleached sulphate production, about 88 per cent of dissolving pulp output, and about 60 per cent of bleached sulphite paper grades production. In 1954 the volume of exports of unbleached sulphite closely approximated those of dissolving pulp and bleached sulphite paper grades, although only about 22 per cent of unbleached sulphite production was exported. Before 1953 exports of this grade exceeded in volume both of the other grades.

Exports of bleached sulphate pulp have increased consistently each year since World War II, reflecting a rapid growth in world demand for this grade. Bleached sulphite paper grades have also remained strong, with exports reaching a record level—a fact reflected in our increased production. Exports of dissolving grades surpassed 1953's record shipments and production exceeded that of any other year. The decline in export shipments of unbleached sulphite and groundwood pulps, particularly noticeable in 1952 and 1953, levelled off in 1954, though production of these grades

has remained steady over this period because of greater domestic demand. Altogether, the wood pulp export picture is a healthy one, with the volume now approximating one-quarter of total production for all grades.

Table II, showing the percentage distribution of our approximately 2.1 million tons of pulp exports, indicates the ratio of these exports to the chief regional world markets. It is interesting to note that, though the United States continues to be Canada's largest export market for pulp, taking over three-quarters of our yearly exports, 1954 figures show a greater percentage of sales to other markets than in any year since the war.

A look at the movement of wood pulp to world markets reveals that the volume of exports to the United States was greater in 1954 than in any other year, with the exception of 1951 and 1950. The United Kingdom imported more pulp from Canada last year than in any year since the war. Shipments last year to Latin America, Europe, and all other markets grouped together were the largest in history. Of particular significance were Argentina, Brazil, Colombia, Peru, The Netherlands, Belgium, Spain, Pakistan, Taiwan, Korea and India, where Canadian wood pulp exports

Table II
Percentage Distribution of All Grades Exported

Countries	1939	1948	1951	1952	1953	1954 Est.
United States	86	88½	81½	82	82	77
United Kingdom	10	9½	10	11	11	11½
Latin America	½	½	1½	2	1	2½
Europe	2	½	4	3	2½	4½
All others	1½	1	3	2	3½	4½

increased noticeably. Markets such as France, Germany, Italy and Japan continued strong, through 1954, with Japan ranking third in volume of purchases from Canada, after the United States and the United Kingdom. All in all, 1954 was an exceptionally good year for Canadian pulp exporters, with traditional markets holding firm and with many new markets creating an increased demand for most grades.

The reports received from our Trade Commissioners give an encouraging picture of the outlook for wood pulp in various world markets. Though demand has fluctuated considerably in recent years, indications are that the buoyant market conditions throughout 1954 will continue in 1955. The long-range outlook is even more encouraging. Great technological advances in

pulping methods are taking place, such as the development of the semi-chemical and chemi-groundwood processes which make it possible to obtain larger yields of pulp from a smaller volume of wood and to use a greater variety of tree species. Supplement this development with the more diversified end-uses to which wood pulp is rapidly being adapted, and with the increasing demand everywhere for the products derived from wood pulp, and the future seems even brighter. The Canadian wood pulp industry, supported by vast forest resources, is maintaining and improving its position as a leading world supplier of this essential raw material. Unromantic as it may appear, wood pulp is the life-blood of Canada's foremost industry and in it lies greater promise for the future.

UNITED STATES

Chicago — *Sales prospects for wood pulp in the Midwest are good and the Canadian product finds a ready acceptance.*

THE MIDWEST (excluding Michigan and Ohio), although it produces only a small percentage of the total U.S. output of wood pulp, probably consumes more than any other area in the world. There are no consumption figures for the region but the fact that in 1954 it is estimated the Chicago area alone will provide 7.5 per cent of American industrial production indicates its importance to the wood pulp industry.

Production Relatively Small

Relatively few mills produce wood pulp in the Midwestern states and they are largely found in Wisconsin and Minnesota. Most important are the Little Rapids Division of the Charmin Paper Mills, De Pere, Wisconsin; the Marathon Corporation, Rothschild, Wisconsin, and the Tomahawk Pulp Co., Tomahawk, Wisconsin. Production in these states in 1952, the latest year for which state figures are available, totalled 1,475,471

tons. Total U.S. production reached 17.5 million tons in 1953. Expansion of wood pulp capacity in recent years has been centered chiefly in the South, the Pacific Northwest and Alaska. Because of disappearing pulpwood stands there has been little increase in Midwest facilities nor does any appear likely in the near future. It is interesting to compare U.S. production by regions, and the following table illustrates the growth of the industry.

An Important Exporter

The U.S. industry as a whole is an important exporter of wood pulp, chiefly dissolving pulps. In 1953 exports reached 161,687 tons valued at \$22,793,000. Exports from the Midwestern states are not significant because of the relatively small production and the strong demand in the area.

U.S. imports of wood pulp greatly exceed exports and in 1953 chemical pulp imports amounted to 1,894,000 tons and groundwood pulp 264 thousand tons. Of this, Canada supplied the major part, 1.6 million tons, with the remainder coming from European suppliers.

1953 Production by Regions

(in tons)

	U.S.	Northeast	North Central	South	West
Wood pulp, all types	17,537,295	2,532,909	1,986,307	9,893,471	3,124,608
Paper, all grades	11,394,406	4,226,584	2,874,721	3,086,928	1,206,173
Paperboard	12,220,162	2,354,206	3,137,833	5,528,597	1,199,526
Wet machine board	155,261	102,025	(d)	(d)	(d)
Construction paper and board	2,688,952	538,869	(d)	(d)	(d)
Total all paper and board	26,458,781	7,221,684	6,740,610	9,770,241	2,726,246

(d) Withheld to avoid disclosing figures for individual company.

Midwestern pulp converters favour Canadian suppliers and only small quantities of the pulp used in the area come from Europe. All of the Chicago companies using wood pulp from which I received comments spoke well of the products of Canadian mills. They like our quality, good delivery and competitive prices.

Sales prospects for wood pulp in the Midwest are good and, combined with ready acceptance of the Canadian product, should result in increased business for Canadian mills. The U.S. market is experiencing one of the longest periods of price stability in its history. It has lasted since the last half of 1952 and people in the trade believe that it will continue, especially with the expanded American production going largely to export markets.

Wood Pulp Production by States—1952

(latest available)

State	Production (tons)	Per cent of U.S. total
1. Washington	2,067,708	12.5
2. Florida	1,485,571	9.0
3. Louisiana	1,378,646	8.4
4. Maine	1,303,691	7.9
5. Georgia	1,227,057	7.5
6. South Carolina, Maryland	1,015,095	6.2
7. Wisconsin	992,623	6.0
8. Mississippi	971,906	5.9
9. Alabama, Tennessee	813,227	4.8
10. North Carolina	750,016	4.6
11. Virginia	732,096	4.4
12. Arkansas, Texas	676,827	4.1
13. New York	630,928	3.8
14. Oregon	616,410	3.7
15. Minnesota, Iowa	482,890	2.9
16. New Hampshire, Vermont, Massachusetts	313,812	1.9
17. Pennsylvania	302,536	1.8
18. California, Idaho	262,481	1.6
19. Michigan	239,226	1.5
20. New Jersey	85,812	0.6

NOTE: U.S. Census Bureau combines some states in order to avoid disclosing production of individual mills.

Business conditions in the Midwest are generally good and prospects for 1955 even better. This is particularly true in the paper box industry, which in recent months has definitely increased its business. Many observers believe that the condition of the container industry as a whole is a good indication of future business prospects. The long-range outlook for pulp in the U.S. market also appears favourable, and an interesting forecast is made in the recent Weyerhaeuser-Stanford Report entitled *What's Ahead for Wood*. This report says that domestic production of paper and paperboard is expected almost to double from 24.4 million tons in 1952 to 46.6 million tons by 1975. If this forecast is accurate for domestic production in the United States, it should also promise much larger American wood pulp business to Canadian exporters.

R. V. N. GORDON,

Vice Consul and Trade Commissioner, Chicago.

Boston—*With a thriving paper industry, New England has become good customer for Canadian wood pulp, and particularly for the bleached grades.*

THE U.S. PULP AND PAPER INDUSTRY began in New England—naturally enough—because more than three-quarters of the region's land area is forest. Maine was the leading pulp-producing state as recently as 1929.

No new mills were built in New England from 1930 until 1953 when construction of Great Northern Paper Company's mill at East Millinocket, Maine, began. This mill, costing \$30 million, is using mixed hardwoods to make newsprint pulp by the chemi-groundwood process. Production began in December 1954. Its building points up an interesting trend in the New England picture which will be discussed later.

Industry Is Old

The manufacture of pulp and paper, concentrated in the four northern states of Maine, Massachusetts, Vermont and New Hampshire, is one of New England's oldest industries. It had its beginning back in 1728 near Boston. The first Fourdrinier paper machine was installed in 1827. Today these industries represent an investment of a billion dollars and provide an annual payroll of \$123 million for more than 43 thousand employees.

New England produces 56 per cent of the newsprint made in the United States, 40 per cent of the special industrial papers, 32 per cent of the groundwood printing and specialty papers, 29 per cent of the absorbent papers, and 18 per cent of the book papers. The region accounts for 16.5 per cent of the nation's annual pulp and paper sales and 15.5 per cent of its pulp and paper payroll.

New England and New York State, with their abundance of spruce, fir and poplar, took an early lead in the production of pulp and paper. The U.S. depended on these areas for 60 per cent of its total production as late as 1914. Today 90 per cent of the region's pulp capacity is still based on the three original processes—groundwood, sulphite and soda.

Paper Production Increasing

With the tremendous upsurge in paper consumption in the United States, production of pulp and paper spread to other areas and New England production also continued to rise. In the last quarter century there has been a 35 per cent increase in output of paper products in the area and a 122 per cent increase in value. The number of tons produced per employee

rose from about 50 to 78, or by 55 per cent. This has taken place despite a 16 per cent reduction in the number of manufacturers.

There are now 169 paper and board mills in New England, roughly one-quarter of those in the country as a whole. In 1951 the region produced three million of the 26 million tons of paper turned out in the United States, or 11.2 per cent. Many of these companies produce their own pulp, importing only what they need to augment these supplies. Others depend largely on imported pulps and draw heavily on Canadian sources.

Some Hardwood Used

The great increase in demand for paper brought other changes to the New England pulp industry. The preferred softwoods became more and more scarce and prices increased. Manufacturers were obliged to turn to Canada for supplies of pulpwood and wood pulp to augment local production. At the same time efforts were made to devise processes for utilizing other less desirable woods for pulping, and a growing trend toward the use of mixed hardwoods by New England mills followed. A recent report by the Federal Reserve Bank of Boston indicates that in 1953 New England's hardwood pulp production reached 367 thousand tons, equivalent to 22 per cent of the region's total production. Some 317 thousand tons were made from the heavy or mixed hardwoods, principally birch, beech and maple. By contrast, less than 20 thousand tons of pulp were produced from the heavy hardwoods in 1929. The sulphate and soda processes have been the principal users of hardwoods; the sulphite and groundwood producers have begun to use them only quite recently. It is estimated that, in hardwoods, the New England industry has a source of pulpwood with annual growth greater than current total requirements.

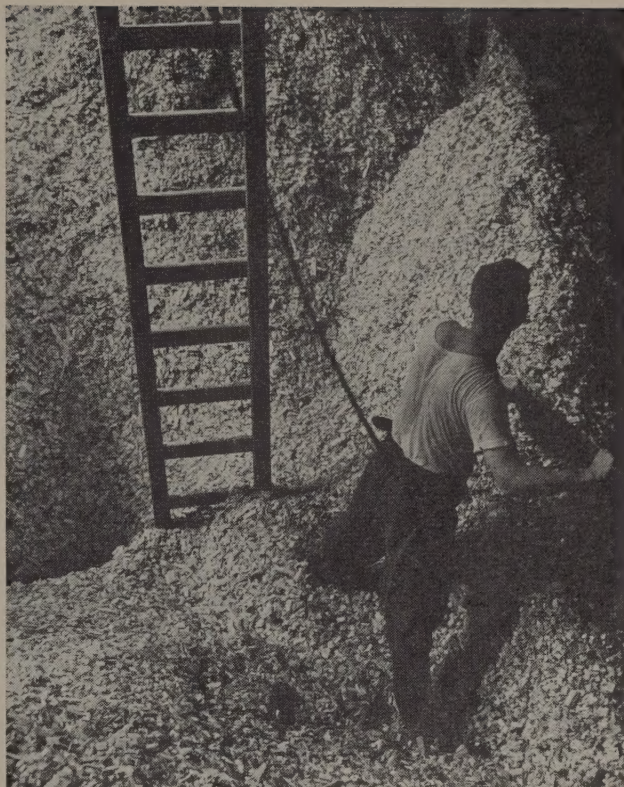
The following chart shows the present utilization of hardwoods by New England mills:

New England Wood Pulp Production—1953

Percentage Range— Hardwood Utilization	No. of Mills	Pulp Production (in thousands of tons)		Ratio of hardwood pulp to total Per Cent
		Hardwood	Total	
51-100 per cent.....	5	219	297	74
21- 50 per cent.....	6	132	306	43
0- 20 per cent.....	24	16	1,040	2
	35	367	1,643	22

Federal Reserve Bank of Boston.

The past half-century has seen New England's share of total U.S. pulp and paper production decline from 30 per cent in 1914 to less than 10 per cent in 1952.



—Malak

Pulpwood received at the mill is barked and then fed into a machine, equipped with a set of sharp revolving knives, which cut the wood into chips of the size shown in the picture. These chips are then stored until the cooking process begins.

However, the industry has expanded substantially. It has also specialized in a surprising range of high-quality specialty papers and paper products. These include fine writing papers, cotton content papers, artists' papers and high-grade paperboards, book and magazine papers, fine facial tissues and absorbent papers, bank-note paper, cloth and metallic-lined papers, wallpapers, insulating papers, laminated building papers and building boards. The New England mills are also important producers of technical grades of wrapping papers, food wrappings and other protective papers. Modern business needs have added such lines as teletype and business machine tapes, cheque papers, sensitized papers and thin condenser papers used in electronic equipment and other electrical apparatus. New England in general, and Boston in particular, has always been an important printing and publishing centre and this too has stimulated paper consumption.

Types of pulp used by New England mills include bleached and unbleached sulphate, bleached and unbleached sulphite, groundwood, and black sulphates and sulphites. The greatest interest, however, appears to be in the bleached grades.

The bulk of Canadian wood pulp moves into New England by rail from eastern Canada. Smaller amounts, including some from western Canada, are received by water through the ports of Portland and Boston. One Canadian rail carrier reports that shipments of wood pulp to three New England mills alone for ten months this year totalled more than 1,300 cars. Portland and Boston are also the principal receiving ports for supplies from abroad, mainly from Sweden and Finland. Tonnages entering Boston during several past years are shown below. Figures for Portland are not available though shipments have been limited in recent years. Small amounts of Canadian and Maine pulp have been moving from Portland to South American ports.

Wood pulp from the southern states also moves into New England by coastal steamer from the Gulf ports.

Eastern Canadian pulp producers, close to the New England market, enjoy significant advantages over their foreign competitors, such as excellent rail connections. Problems of payment and credit are at a minimum and they are also close enough to these customers to give them speedy, personal service.

Imports of Wood Pulp through Boston

(in short tons)

	1950	1951	1952	1953
Canada	220	600	12	1,105
Overseas (mainly Sweden and Finland	3,523	13,061	5,761	

With regard to quality, strength, colour and cleanliness are of paramount importance in meeting the requirements of the New England market. It therefore follows that these are the factors which should directly influence increased sales of Canadian pulp in this market. The general opinion is that the ability of Canadian producers to supply wood pulp of good quality quickly and on a continuing basis gives them an advantage in competing with overseas suppliers. All mills were agreed that New England pulp consumption in 1955 should approximate that for this year.

Two points might be stressed. First, there is a trend in New England toward the increased use of hardwood pulp in order to take advantage of large supplies of suitable local woods. Second, if we are to increase our sales of pulp in this most discriminating of markets we should do everything possible to provide pulps which take second place to none in quality. Perhaps there is a third point worth noting—that New Englanders are used to getting what they want. All we need to do is offer it to them.

D. H. CHENEY,

Vice Consul and Trade Commissioner, Boston.

United Kingdom—Imports of wood pulp rising; Canada should be able to improve her position in this market during 1955.

LONDON—The consumption of wood pulp of all kinds by the paper, board and cellulose industries of the United Kingdom has continued at an increasing rate during 1954 compared with 1953.

Because Britain depends almost entirely on outside sources for its supply of pulps, higher imports for the year reflect the consumption upsurge. It is estimated that imports of wood pulp for 1954 will total about two million tons—a rise of approximately 25 per cent over 1953.

In relation to the overall requirements of the very substantial British paper and cellulose industries, home production of wood pulp is comparatively small and is limited to mechanical and unbleached sulphite grades. In view of this, the import figures in the table on page 9 are highly significant.

The table gives a breakdown of countries of origin of imports of the main classes of pulp—mechanical, sulphite and sulphate. It shows that Canada occupies a rather poor fourth position as a supplier to the United Kingdom. Sweden is the principal shipper, with Norway and Finland supplying equal quantities, their combined total approximately matching that of Sweden. Canada provided approximately 12 per cent of the 1954 United Kingdom imports, or one-third of Sweden's contribution. Sweden is the principal supplier of sulphite and sulphate pulps and shares with Norway a similar position for mechanical pulp.

Importer Free to Choose

The prospects for 1955 Canadian participation in the United Kingdom market are excellent. Though there are restrictions on the total amount of sterling that may be spent outside the sterling area to purchase wood pulp, all countries are on an equal footing, with the sterling equivalent available in dollars as well as in other currencies. The United Kingdom importer has complete freedom of choice and naturally he will use his quota of sterling where he can obtain the best value. This is the challenge as well as the opportunity for those members of the Canadian wood pulp industry who wish to participate in the British market.

At the time of writing, the sterling quota for pulp purchases for the first half of 1955 has just been set and United Kingdom importers have been advised of their individual quotas. The total sterling quota for wood pulp for the paper and cellulose industries is set at £41,123,000 for the first six months of 1955.

United Kingdom Wood Pulp Imports by Countries

(thousands of long tons)

	Canada	USSR	Finland	Sweden	Norway	USA	Others	Total
Mechanical								
1952	43	...	66	165	218	9	...	501
1953	34	...	93	202	233	...	...	562
1954 (est.)	32	...	98	220	280	...	...	630
Sulphite								
1952	126	...	194	231	87	8	7	653
1953	130	...	181	278	116	8	16	729
1954 (est.)	145	...	200	375	135	30	50	935
Sulphate								
1952	40	2	99	113	7	20	3	284
1953	17	10	99	168	6	11	4	315
1954 (est.)	60	16	105	186	8	50	10	435
Total all pulps								
1952	209	2	359	509	312	37	10	1,438
1953	181	10	373	648	355	19	20	1,606
1954 (est.)	237	16	403	781	423	80	60	2,000

This represents an increase of approximately 6 per cent over the £38,849,000 for the last six months of 1954. The note advising the importers of their quotas contains advice that "... importers may continue to use their quotas to import any type of wood pulp from any source".

It must be noted, however, that the sterling quotas are on a c.i.f. basis and that an increase in ocean freights could not only affect Canadian shipments adversely but also nullify the tonnage increase from all supplying countries anticipated by the United Kingdom paper and cellulose industries.

Reginald C. Purkiss, president of the British Wood Pulp Association, and C. V. Oliver, president of the British Paper and Board Makers Association, at the annual dinner of the Wood Pulp Association expressed the optimism which prevails throughout their respective industries and, in doing so, laid emphasis upon the increasing supplies of pulp which were coming in from Canada and the desirability of this trend continuing throughout 1955.

G. H. ROCHESTER,

Commercial Secretary (Timber), London.

Austria – *As net exporter of wood pulp, seldom buys from Canada except for occasional purchases of bleached sulphite, dissolving grade.*

AUSTRIA, an important European supplier, has continued in recent years to increase production and exports of wood pulp (particularly chemical types) and of paper and newsprint. Although most of the chemical pulp produced is sulphite, considerable conversion to the sulphate process has taken place.

For 1955, the industry expects that its output will stay close to that of 1954 rather than increase as it has in other years. European pulp prices will probably remain steady or increase slightly.

Austria's big problem is the supply of pulpwood for keeping the industry going. It is said that pulpwood prices have risen 20 per cent since 1953 and, in an effort to safeguard supply, export controls on wood will be introduced. These controls will be in effect for six months beginning January 1, 1955, and will be

Production and Exports, Austrian Paper Industry

Grade	Production			Exports		
	(9 months)			(9 months)		
	1952	1953	1954	1952	1953	1954
Paper	251,705	296,672	269,141	117,149	165,928	161,522
of which newsprint	74,577	83,863	75,814	49,204	55,437	53,239
Chemical pulp	257,747	294,891	274,835	82,454	106,264	94,533
of which dissolving pulp	44,497	45,298	40,218	10,409	17,683	16,077
bleached sulphite pulp	82,756	108,088	96,103	33,459	41,411	31,487
unbleached sulphite pulp	107,707	107,560	84,459	31,386	35,099	25,762
bleached sulphate pulp	...	561	1,516	...	...	...
unbleached sulphate pulp	22,787	33,384	52,539	7,200	12,071	21,207
Mechanical pulp	98,211	114,889	102,140	4,777	8,621	2,675

extended if the market situation makes such a step necessary. Exports of coniferous wood are limited to 14 million cubic metres during the next six months, approximately the 1953 position, but about 20 per cent below 1954 exports.

Consumption of paper in Austria is also controlled and is low compared with most other West European countries. It increased from 24 kilos per capita in 1952 to 29 kilos in 1953, but 1954 saw no appreciable change. The industry expects some rise in consumption this year which, if it materializes, will leave Austria's export position about the same as in 1954, because only a slight increase in pulp and paper production is predicted.

As a net exporter of wood pulp, Austria has not been a traditional market for Canadian suppliers. However, a limited quantity of bleached sulphite, dissolving grade, was purchased from Canada in 1954.

W. VAN VLIET

Commercial Secretary, Berne.

Belgium — *Use of paper products increasing rapidly, and bringing corresponding increase in wood pulp imports. Purchases from Canada should also rise if exporters can meet competition from other suppliers.*

BELGIUM'S ECONOMIC RECOVERY has been so successful that today there are no restrictions on either licences or foreign exchange for the import of pulp or paper. Exports of wood pulp (estimated 1954 all kinds, 16,000 metric tons) from Belgium are small and mainly confined to spot deals which, because of unusual circumstances, offer a good profit. One example occurred during the recent British dock strike, when pulp was exported to the United Kingdom loaded in railway cars which crossed the channel on the railway ferry and, pulled off by a locomotive, were not held up by the lack of stevedores. One exception to this statement is the steady delivery of high-quality, greaseproof bleached and unbleached sulphite to France and Britain.

Soft toilet paper, cleansing tissue and widespread use of tissue paper for wrapping in stores are relatively new in Belgium. There is a growing demand for paper of this quality, the production of which requires soft bleached sulphite.

There are 23 paper mills in Belgium which, in the first six months of 1954, turned out 153 thousand metric tons of paper of all kinds. Some 24 per cent of this was writing and printing paper, 21 per cent

wrapping paper, 16 per cent newsprint, 11 per cent cardboard, 9 per cent kraft, 7 per cent parchment and imitations, and 12 per cent classified as "other"

Production and Imports

Estimated wood pulp production for 1954 is 6 per cent above the actual production for 1953. Actual figures in metric tons are:

	Est. 1954	Actual 1953
<i>Sulphite</i>		
Bleached	6,000	4,000
Unbleached	16,000	15,000
<i>Sulphate</i>		
Bleached .....	.....	.....
Unbleached	15,000	14,000
<i>Mechanical</i>		
Groundwood	60,000	58,000

Belgian imports (estimated 1954, all kinds, 185 thousand metric tons) have increased steadily since 1945, reflecting higher newspaper circulation and a tremendous rise in the use of wrapping paper and tissue paper. Wood pulp imports should continue to go up for two reasons—first, a trend towards more domestic production of paper from imported pulp and hence smaller finished paper imports, and second, steadily mounting consumption.

Belgian importers feel that Scandinavian output is not increasing fast enough to keep up with demand and that more and more of these imports will come from North America.

Competition for Canada

The only commercial advantage which Scandinavia enjoys is a geographical one. A Belgian importer can receive an order from Scandinavia one to three weeks after loading, as opposed to at least two months from Canada. Belgium carries about six weeks' inventory of pulp requirements and this delay might, at times, be a disadvantage to Canadian suppliers. This difficulty can be partially overcome by shipping to a buyer "on consignment" the extra tonnage necessary to obtain the best freight rates. One Belgian importer says he can arrange storage of such "on consignment" shipments for \$1.00 per ton for as long as six months. Scandinavian suppliers no longer enjoy a "payment in soft currency" advantage in the Belgian market.

As for terms of payment, it is accepted practice for Belgian importers to do business with Scandinavian exporters on a "cash against documents" basis without the intervention of a bank to hold the documents until payment is made. We have been told by one importer that he now has a similar arrangement with one Canadian and one U.S. supplier. There is no need, at the moment, to offer 30, 60 or 90-day terms, as the importer is generally paid immediately by his customer.

In view of the increasing importance of Belgium as a market for Canadian wood pulp, exporters would be well advised to make personal visits to examine the prospects for increased sales. If this is not possible, they should establish agency connections. This office is prepared to recommend suitable representation for Canadian mills and to arrange itineraries for Canadian wood pulp industry officials who wish to visit Belgium and conduct a survey of this growing wood pulp market.

KENNETH G. RAMSAY,
Assistant Commercial Secretary, Brussels.

France — *Despite import controls that affect Canadian suppliers, outlook is promising for larger purchases from Canada this year.*

THE FRENCH MARKET is expected to show an increasing demand for wood pulp during the coming year. The secondary paper and rayon industries are prosperous and will set new production records in 1955 if present conditions continue. French pulp production provides only a portion of the country's needs, and although imports from Canada have fallen in recent years because of severe exchange restrictions, world supply, and demand may well favour purchases from Canada during the next few years.

The output of all types of paper increased greatly during 1954, reaching an average monthly rate of 138 thousand* metric tons during the first half of 1954, compared with less than 120 thousand tons a month in 1953. The prewar monthly figure was less than 100 thousand tons. The rayon industry is expanding output even more rapidly.

French Pulp Production

A large proportion of French pulp mills are integrated with the paper industry; of approximately 80 pulp-producing firms, only 10 are independent of paper manufacturers. This makes French pulp output particularly vulnerable to fluctuations in the paper industry, which went through a recession in 1952, recovered in 1953, and set a production record during 1954.

Output of all types of pulp rose from a prewar average of 355 thousand metric tons to 579 thousand tons in 1951, fell substantially in 1952, reached 584.4 thousand tons in 1953, and set a record of 430.8 thousand tons during the first eight months of 1954. If this eight-month rate is maintained for the rest of the year, 1953 production will be exceeded by ten per cent.

* Statistics used in this article have been gathered from a variety of sources, all official or semi-official. Figures may vary according to types of pulp covered and whether dry or gross weights are used.



—Malak

Here a worker is supervising the washing of the cooked pulp to remove impurities and traces of the cooking liquor and to break up the pulp mass, before it receives final processing.

French Production of Wood Pulp

(thousands of metric tons, dry weight)

Type	1952 Quantity	1953	1954 (Estimated)
Dissolving	8.7	2.4	2
Bleached sulphite	2.5	10.6	13
Unbleached sulphite	84.5	99.0	125
Bleached sulphate	4.6	7.1	7
Unbleached sulphate	65.5	82.2	95
Other chemical	29.4	35.8	44
Mechanical	280.0	296.3	345

Almost exactly half of French production is mechanical pulp; unbleached sulphite, kraft and straw pulps account for a further 36 per cent, and bleached pulps make up the remainder. Domestic production supplied almost two-thirds of French needs during the first half of 1954, or 58.2 thousand tons out of an average monthly consumption of 92.4 thousand tons. The domestic pulp industry depends on imports for about two-thirds of its pulpwood, which came largely from the USSR before the war but which in recent years has been imported from Finland, Austria and Canada.

In addition, some 50 thousand tons of pulp are produced from straw, alpha, and other materials. Exports

of French pulp are insignificant, amounting to some 10,000 tons per year.

A Substantial Importer

The French dependence on foreign sources for one-third of pulp requirements makes France a substantial importer. In 1953, some 469.7 thousand tons (dry weight) entered the country and during the first eight months of 1954, imports totalled 373.6 thousand tons. (The following tables break down these imports by countries and by types.) Scandinavia is by far the biggest supplier, under contract. Quantities are arranged annually and prices negotiated quarterly. Pulp imports from Canada are mainly sulphites, both dissolving and paper grades.

Imports of Pulp by Origin*

(thousands of metric tons, gross weight)

	1952	1953	(8 months) 1954
Sweden	231.3	229.3	165.4
Finland	121.4	168.0	153.2
Norway	93.7	84.1	64.7
Canada	26.3	28.8	20.0
West Germany	10.4	12.6	11.1
United States	16.5	6.0	7.6
Others	9.1	54.8	57.0
Total	508.7	583.6	479.0

* Includes non-wood pulp, waste paper, etc.

Imports of Pulp by Types*

(thousands of metric tons, dry weight)

	1952	1953	(8 months) 1954
Bleached sulphite	132.3	171.2	134.0
Unbleached sulphite	96.5	98.8	81.3
Bleached sulphate	18.5	29.5	21.4
Unbleached sulphate	85.0	85.9	63.3
Other chemical	13.5	17.2	13.5
Mechanical	77.4	67.1	59.8
Total	423.2	469.7	373.3

* Includes pulp produced from materials other than wood.

Source: French government statistics.

Import controls operate to the great disadvantage of Canadian suppliers, for France imports from Canada only those quantities and qualities which she cannot produce at home or import from Northern Europe in sufficient quantities. Then too, the progressive dropping of quota restrictions amongst OEEC countries removed a further barrier between the French market and European exporters. In recent years, imports from Canada have been made mainly under long-term contracts, although there are signs that 1955 will see a more generous distribution of dollar exchange to importers, especially of bleached sulphite and sulphate pulps. There is some uncertainty whether supplies of all types of pulp from Scandinavia can fill the expected increase in demand. In addition the disparity

between Scandinavian and Canadian prices may reach a point which justifies larger hard-currency expenditures.

Canadian exporters who are interested in the French market should be represented here by reliable firms who belong to the Pulp Importers' Association. Periodic visits are also useful; the buying offices of French paper and rayon mills tend to be grouped into co-operative purchasing offices, such as the Société d'Approvisionnement Textiles, which purchases the entire needs of imported dissolving pulp, and the Comptoir des Matières Premières pour la Papeterie, representing some 140 mills, which makes a very large proportion of paper pulp purchases. The Canadian exporter who visits France may therefore contact a large section of the pulp-using industries relatively quickly, and discover the sales possibilities for the grades he has to offer.

J. H. STONE,

Assistant Commercial Secretary, Paris.

Greece — Opportunities opening up for Canadian suppliers, with recent dispatch of first wood pulp shipments to Greece from Canada since 1948. Good agent essential.

GREECE has no wood pulp industry nor any plans for establishing one. Wood pulp of various types has been imported principally from the Scandinavian countries to meet the needs of the domestic paper and rayon yarn industries, but Canadian wood pulp shipments are now arriving for the first time in six years.

At present annual wood pulp requirements of the active Greek paper mills total about 23,000 metric tons. An additional 3,000 metric tons of dissolving pulps are required for the one rayon yarn mill in this country.

Annual Greek consumption of wood pulp by types is approximately as follows:

	Metric tons
Bleached sulphite for writing paper and paperboard	11,000
Unbleached sulphite for wrapping and printing paper	8,000
White dry groundwood (90 per cent dry)	3,000
Unbleached sulphate (kraft)	1,000
Bleached dissolving sulphite for rayon yarn	3,000
Total	26,000

One of the leading paper mills, located in Patras, is installing a new papermaking machine. This unit, which is expected to go into operation next September, has an annual theoretical capacity of 12,000 metric tons. Therefore, the total annual wood pulp require-

ments may reach 30,000 tons in 1955 and 37,000 metric tons in 1956.

There are six privately-owned paper mills operating in Greece, three of which consume altogether approximately 20,000 tons of wood pulp. These mills turn out all the standard-grade paper products, with the exception of newsprint, cigarette paper and most specialty papers. The Greek paper industry has considerable tariff protection, and finds no difficulty in disposing of its finished products locally for cash. The import duty levied on wood pulp is only about \$10 per metric ton.

Recent Imports

According to official Greek statistics, wood pulp imports since 1950 have been:

From	1950	1951	1952	1953	Jan.-Sept. 1954
			(in metric tons)		
Austria			1,114	4,559	2,840
Finland	2,548	2,125	1,719	2,718	145
Norway	1,946	1,609	673	2,129	1,114
Sweden	22,458	24,751	12,657	17,712	17,204
Other countries	2,110	57		7	796
Total	29,062	28,542	16,163	27,125	22,099

Greek statistics do not provide a breakdown of wood pulp imports by type.

In the last few months, Canadian and American producers have been competing more actively with European suppliers in the Greek market, and recently the purchase of over 5,000 tons was negotiated with North American suppliers. The first exports of Canadian wood pulp since 1948 arrived in Greece recently and a Greek paper mill using the pulp has already reported the quality so satisfactory that it is prepared to negotiate further orders.

Apparently no Canadian firms have offered dissolving pulps recently to Greek importers and it seems likely that, for the time being, these grades will be bought from Austria and Sweden. In groundwood pulp, Greece demands the 90 per cent dry type and Canada offers for export the wet type (50 per cent dry). Bleached and unbleached sulphite are the wood pulp grades in which Canada best meets Greek requirements and offers the most competitive prices. Of course freight rates will always have a considerable effect on sales.

Import Regulations and Payment Terms

The import of wood pulp from any European or Western Hemisphere country is permitted without restriction of any kind. Wood pulp imports are among those for which exchange will be approved when the foreign suppliers grant payment terms up to a maximum of 90-day term draft. The terms offered by exporters of various countries differ, but at present the credit factor is of great importance to the Greek

importer because there is a shortage of working capital at low rates of interest. European exporters ship wood pulp to reliable Greek importers on 90-day time settlement, cash against documents, or a combination of advance payment and c.a.d. sight draft when dealing with the large importers.

Export Sales Arrangements

Canadian pulp producers should establish suitable direct agency connections in Greece, although none have done this so far. There are many reliable agencies experienced in this line and anxious to represent Canadian producers or exporters. A good agent is indispensable, especially when offering c.a.d. terms. Arranging suitable shipment dates and negotiating special freight rates are also vital, since direct shipping service with numerous sailings is available from both the East and West Coasts of Canada. Competing European suppliers, however, have more frequent shipping service and their freight rates are always lower than those from Canada.

With proper agency connections, the present competitive Canadian wood pulp prices, direct and regular shipping service, and sufficient credit facilities for importers' minimum needs, prospects for Canadian wood pulp companies in this country are definitely favourable, if the present liberalized dollar import policy of Greece is continued.

Ireland — *Easing of dollar shortage may mean larger sales of Canadian wood pulp in the Republic during the coming year.*

OF THE SEVEN PAPER MILLS in the Republic of Ireland, only one is currently producing wood pulp. It has a capacity of 10,000 tons a year, uses native saplings as raw material, and in 1953 turned out 8,140 tons of mechanical pulp. A second plant is just beginning to produce semi-chemical pulp from native timber and is expected to have an output of five thousand tons this year. A third manufacturer makes chipboard from waste paper. The remainder of the industry depends on imported wood pulp.

The table on page 14 gives the type and sources of these imports during 1953 and the first half of 1954.

Sources of Supply

Until recently, Ireland's dollar shortage led her to turn to the sterling area for her wood pulp needs. The foreign exchange position, however, improved in the past year and it is understood that dollars will now be

made available more freely for purchasing wood pulp from Canada, especially if it is difficult to get supplies from non-dollar sources.

Republic of Ireland Wood Pulp Imports

1953	
Mechanical Pulp	
Country of Origin	Volume (metric tons)
Total	3,382
Sweden	2,269
French Morocco	519
United States	252
Finland	228
Sulphite Pulp	
Total	7,512
Sweden	4,873
Finland	1,511
Norway	1,065
Other Chemical Pulp	
Total	13,029
Sweden	12,665
Finland	160
January to June, 1954	
Mechanical Pulp	
Country of Origin	Volume (metric tons)
Total	1,829
Sweden	910
Finland	593
Germany, Federal Republic	301
Sulphite Pulp	
Total	4,853
Sweden	3,506
Canada	484
Norway	457
Finland	406
Other Chemical Pulp	
Total	6,850
Sweden	6,158
Finland	354
Canada	263

As the table illustrates, Scandinavia has been the chief source of supply. In general, North American prices are lower than those quoted by the Scandinavian countries, with the exception of wet groundwood. In this case, the Baltic countries have the advantage of lower freight charges and more frequent service.

Types in Demand

At the moment, principal demand is for prime unbleached kraft pulp, used to produce sack, bag and wrapping papers; for this purpose manufacturers prefer Scandinavian krafts with a rather high chlorine number. Demand is increasing for highly bleached sulphate pulps, used mainly for making high-grade packaging papers.

Consumption of wood pulp of all kinds in 1953 totalled about 30,000 tons, some 10,000 tons of which was unbleached kraft pulp. In 1954, it is estimated, consumption reached 44,450 tons, of which 16,000 tons represents unbleached kraft. Total capacity of the paper and paperboard making industry now stands

at approximately 74,000 tons a year, requiring, at capacity, about 78,000 tons of wood pulp and waste paper.

The recent easing of the dollar shortage and the growing demand from Irish paper mills should result in an expansion of imports from Canada in 1955. The manager of one important paper mill says that: "The outlook for sales of Canadian prime bleached sulphate and bleached sulphite in 1955 appears to be very promising indeed".

Exporters should keep in mind that personal contacts are of great value in handling the small business matters that are difficult to settle by correspondence but which can be thrashed out across the desk with a sales representative of the supplier. Canadian firms who do not yet have agents in Ireland are invited to make use of the services of this office in assessing the probable success of their products here.

GEORGE SHERA,

Office of the Commercial Counsellor, Dublin.

Italy — Imports of wood pulp are increasing and should continue high in 1955. Canadians must meet competition from European suppliers.

ITALIAN PRODUCTION of paper and cardboard and of artificial fibres has been mounting during the past few years. This rise has been the main factor in the increase since 1950 of about 18 per cent in Italy's imports of wood pulp. Domestic production of wood pulp has gone up in the same period, though in 1953 it slipped to 4 per cent below 1952. This down-trend continued during 1954 because of the difficulty of obtaining suitable wood for pulping at reasonable prices. It therefore seems likely that, if the pulp-using industries continue their present rate of production, the demand for imported wood pulp will also rise. The figures below show the trend in domestic production:

	1952	1953
	<i>(metric tons)</i>	
Dissolving and special chemical	52,023	36,200
Sulphite and sulphate	78,000	76,500
Mechanical	142,000	148,000
Total	272,023	260,700

The 435 mills of the Italian pulp and paper industry depend entirely on imported wood for producing chemical wood pulp. However, 95 per cent of the wood used in the making of mechanical pulp is locally grown poplar. Of the wood pulp produced, the paper

Italian Wood Pulp Imports

	Austria	Norway	U.S.	Finland	West Germany	Sweden	Canada	All others	Total
<i>Mechanical and semi-chemical</i>									
1952	3,471	1,096	.....	2,291	.....	3,481	.....	295	10,634
1953	9,741	.....	.....	3,149	.....	3,028	.....	1,510	17,428
1954 (8 mos.)	1,868	.....	.....	818	.....	4,648	.....	877	8,211
<i>Chemical pulp (dissolving)</i>									
1952	3,640	3,563	4,958	7,160	.....	29,990	6,445	1,609	57,365
1953	3,895	4,764	1,880	2,165	.....	48,150	.....	342	61,196
1954 (8 mos.)	3,375	2,604	2,790	5,178	.....	38,596	.....	.....	52,543
<i>Other pulps</i>									
1952	46,365	.....	.....	12,249	4,840	43,375	2,750	10,216	119,795
1953	57,563	.....	.....	13,082	11,462	78,582	.....	14,568	175,257
1954 (8 mos.)	43,508	.....	.....	14,427	10,557	55,905	4,995	7,521	137,913

Source: Italian statistics.

NOTE: Canadian export statistics show a total of 4,152 short tons shipped to Italy in 1952 and 8,843 short tons in 1953. The discrepancy between Italian and Canadian statistics is due principally to shipments made through United States ports and the times of the year when shipments are made and received.

mills retain 95 per cent for their own use; the remaining 5 per cent is turned out by independent firms for sale to paper-makers. Exports of wood pulp are negligible.

Italian imports of wood pulp in recent years are shown in the table above:

In this market there is an active demand for chemical pulp, both bleached and unbleached, and also for mechanical pulp. The majority of the larger paper mills produce a high percentage of their own wood pulp needs but must augment local supplies with imports, particularly in the winter months when electric power is generally short.

Methods of Importing

The largest Italian wood pulp importer is the Societa Nazionale Cartiere, a co-operative buying organization used by a considerable number of paper mills. In 1952 the Societa imported 103,390 metric tons, or 52 per cent of total wood pulp imports. Some individual mills purchase directly; others use local import agents.

Terms of payment vary with the sources of supply and with the exporting firms. Though payment is frequently demanded by the opening of a letter of credit, importers prefer 60 or 90-day terms. In some cases the importer pays against "received on board bills of lading" which are deposited in an Italian bank. Under Italian currency regulations the goods cannot be cleared through customs until the loading documents are presented. Consequently, these have to be redeemed by the importer. Sometimes payment on the arrival of the goods is guaranteed by a shipping agent; this eliminates the bank charges for the opening of credits.

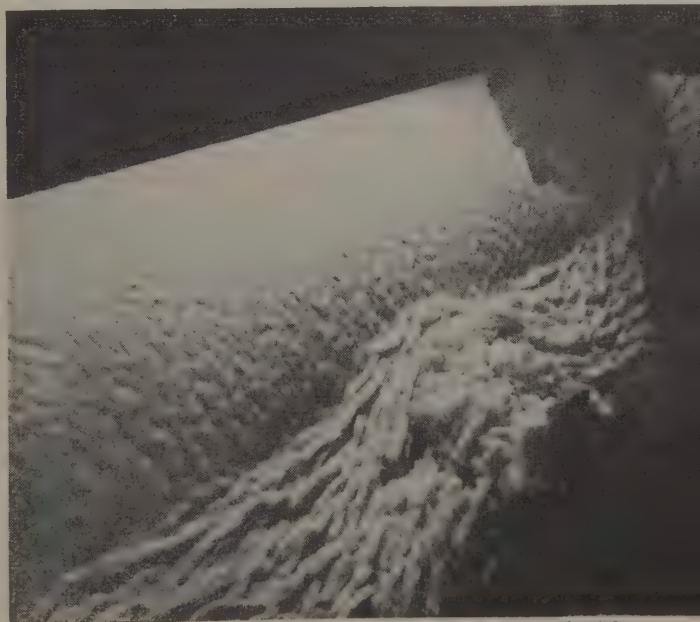
Possibilities for Canadian Suppliers

A number of factors favour Canadian wood pulp sales in this market. Italy's pulp needs are growing and domestic output is declining. Moreover, imports of pulp from dollar countries do not require a licence and

thus Canadians do not suffer under an exchange disadvantage. The demand for wood pulp bids fair to continue strong in 1955 and, because of the difficulties experienced in obtaining adequate supplies from European countries, importers will be interested in new sources.

Canadian firms which are not represented in Italy might well follow the practice of first-hand examination of the market before appointing agents. Terms of payment should be in line with those required by other suppliers; shipments should go by the quickest and most direct route.

M. S. STRONG,
Commercial Secretary, Rome.



—Malak

This operator is testing to see whether the pulp is of the proper consistency as it comes onto the wire-covered cylinder of the wet machine, in this stage of manufacture.

Netherlands — *consumption is growing and 1955 may give Canadian importers chance to get larger share of Dutch business.*

CONSUMPTION OF WOOD PULP in the Netherlands is increasing steadily and local producers are unable to satisfy the growing demand, although they are operating close to capacity. Consequently the volume of imports goes up year by year. Indications are that Canadian exporters could share in this increase by making an aggressive approach to the market, provided that they can assure continuity of supply.

In 1953 the Netherlands paper and rayon industries consumed approximately 350 thousand metric tons of all types of wood pulp. Imports accounted for 262,500 tons of this consumption and local industry supplied the remainder. During 1954 consumption was expected to reach 370 thousand tons. The 1954 imports will probably amount to 270 thousand tons and local production may increase to approximately 100 thousand tons. Canada's share in this market in 1953, some 631 tons, rose to 8,480 tons in the first nine months of 1954.

Scandinavia Traditional Supplier

The main suppliers of wood pulp to the Netherlands are Sweden, Norway and Finland. The proximity of these countries to the Netherlands gives them a decided advantage because it means lower freight rates. Regular and frequent sailings from Scandinavian ports to Amsterdam and Rotterdam is another advantage—local buyers may purchase in lots as small as 50 to 100 tons, and save on warehousing space. Scandinavian mills have been shipping to this market for many years, are well known, and are completely familiar with local requirements. There is close technical co-operation between supplier and consumer, and Netherlands importers know exactly what to expect of the pulp supplied. Their manufacturing processes are based on the known qualities of Scandinavian grades, which can be counted upon at all times to produce a paper or yarn with required characteristics.

Canadian Competition Welcomed

Terms of payment for Scandinavian pulp are generally cash on arrival of goods, and Canadian firms attempting to gain a foothold in this market should be prepared to accept similar payment arrangements. Letter of credit conditions are not acceptable to most local importers because of the extra expenses involved and particularly because of the present buyers' market.

A recent survey made by this office reveals that without exception the principal consumers in the Netherlands are anxious to purchase wood pulp in Canada.

There are two reasons for this. First, in view of the steady Netherlands increase in demand for wood pulp and because of Scandinavia's limited ability to increase production, Dutch consumers are convinced that eventually they will be forced to seek an additional source of supply. Second, Canadian wood pulp has had a stabilizing effect on the domestic market. Consequently importers are interested in establishing relations with Canadian suppliers.

Important Factors

In attempting to foster these relationships, Canadian exporters should bear in mind that price and continuity of supply are of paramount importance. The Netherlands, to a high degree, is a price market and Canadian quotations must compare favourably with those from Scandinavia.

Another important factor is the establishing of personal contacts between Canadian exporter and Dutch importer. This helps to create a feeling of confidence in the customer and gives the supplier a chance to learn the special requirements of individual importers. Canadian wood pulp producers who are not yet represented in this market are invited to get in touch with our office in The Hague, which has extensive contacts in the wood pulp field.

Types of Pulp in Demand

Demand is chiefly for bleached and unbleached sulphite pulps and, to a somewhat lesser extent, for bleached and unbleached sulphates. As far as the bleached grades are concerned, the market demands a high-grade pulp, clean and very white. Strength is the chief requirement for unbleached pulps. In addition to dissolving pulp, the local rayon industry consumes approximately 7,000 tons of cotton linters. Indications are that the Dutch would consider switching from linters to high alpha content wood pulp, which is much cheaper, if they could find a first-rate supplier.

The Outlook

Most of the Netherlands wood pulp requirements for 1955 have been covered by traditional suppliers in Sweden, Norway, and Finland by reservation contracts. However, demand is expected to increase and the Netherlands has some dollar exchange available. This means that interested and enterprising Canadian exporters should have an opportunity to establish themselves in this market.

T. F. HARRIS,
Assistant Commercial Secretary, The Hague.

Portugal — Scandinavian countries are chief suppliers, but growing needs may give opening to Canadian product.

ROUGHLY 25 PER CENT of Metropolitan Portugal's land area is well timbered and forestry is an important factor in the country's economic life. Particular attention is, of course, paid to cork, olive and resinous pine types, but in recent years production of mine props, sawn lumber and wood pulp has increased substantially. Wood pulp production in 1953, for example, amounted to 7,041 tons, of which 4,480 tons were exported, chiefly to the United Kingdom (3,665 tons), Belgium (410 tons), France (305 tons) and India (100 tons). The quality is reported as satisfactory, particularly for kraft and wrapping paper.

Import Demand

Imports in tons for 1953, and the first ten months of 1954, were as follows:

	1953	Jan.-Oct. 1954 (in tons)
<i>Mechanical wood pulp for paper manufacture</i>		
Finland	272	.....
Germany	100	.....
Austria	132	50
Norway	355	396
Netherlands	135	56
Sweden	2,962	2,545
	3,956	3,048
<i>Chemical wood pulp for paper manufacture</i>		
Finland	1,434	.....
Germany	387	31
Austria	1,215	763
France	100	.....
Italy	168	.....
Norway	1,042	503
Netherlands	124	81
Sweden	10,422	6,479
	14,982	7,860
<i>Wood pulp for the manufacture of artificial fibres</i>		
Italy	99	.....
Sweden	1,162	1,669
	1,261	1,669

Canadian statistics (DBS) indicate that 137 short tons of dissolving pulp were shipped to Portugal in September 1954.

Types and grades of wood pulp in demand are: sulphite bleached, strong sulphite, sulphate bleached, easy bleaching sulphite, strong sulphate, brown and white dry mechanical, white wet mechanical and dissolving pulp. As the above table indicates, the Scandinavian countries and Finland hold a dominant position in the supply of most of these types.

Portugal has been actively developing the production of artificial fibres and recently, by installing modern machinery, doubled her production capacity. This will probably step up import requirements of dissolving pulp to 3,000 tons in 1955. Growing uncertainty of paper supplies is expected to increase the demand for most other imported pulps, but the anticipated increase in domestic production of kraft pulps may reduce imports of those types. Total imports of paper-grade pulps are expected to amount to 17,500 tons in 1955.

All imports and exports are subject to previous registration in the Ministry of Economy, the Department responsible for licensing. Applications for import of essential raw materials from the dollar area are granted in all cases where superiority can be shown in either quality or conditions of sale over supplies from other sources.

Canadian Prospects

In order to compete most effectively with their northern European competitors, Canadian exporters should have exclusive agents in Portugal with whom they maintain close contact, and should attempt to quote terms comparable to those offered by other suppliers. Canada enjoys a high reputation for quality comparable with sample, prompt delivery, and adherence to original price quotations—and all these points are extremely valuable in sales promotion and should be emphasized in all correspondence. All sets of documents should be accompanied by the Portuguese consular invoice, issued by the Portuguese Consul in the nearest city, (cost Can. \$1.10) for direct shipment, or by a certificate of origin issued by the same official for shipment via the United States without direct bill of lading.

L. M. COSGRAVE,
Commercial Counsellor, Lisbon.

Transportation

A new edition of "Canadian Foreign Trade Routes," giving more detailed information on sailings from Canadian ports, is now available from the Transportation and Trade Services Division. "Canadian Foreign Trade Routes" contains an index to foreign ports of discharge and to steamship companies and their Canadian agents, plus a table of steamship services from eastern Canadian ports and from Canadian Pacific ports, including ports of discharge, loading ports, number of sailings, space accommodation and other information.

To obtain this directory and other information on water, rail, air and road transport services to and from Canada, write to the Director of the Transportation and Trade Services Division, Department of Trade and Commerce.

Spain – *Demand for dissolving pulps increasing but exporters from dollar countries at a disadvantage because of foreign exchange shortage.*

SPAIN normally purchases practically all her wood pulp needs from Scandinavian sources and these imports are covered under bilateral trade and exchange agreements. In recent months, however, Spanish requirements for dissolving pulps for artificial fibre manufacture have resulted in additional purchases from dollar sources, including about 3,000 tons from Canada.

Even allowing for the increase of another 2,000 tons of alpha-cellulose under the recent Norwegian trade agreement, and assuming that all Scandinavian sources of supply are able to provide the total quantity covered in their agreements, it has been estimated that Spain will be short 3,000 to 5,000 tons a year of this pulp.

Commission Studying Cellulose

Recently it was announced that the Inter-Ministerial Commission for Cellulose will soon publish the present requirements for the industry and projected estimates up to 1960. The report is to include a survey of the possibilities of obtaining supplies within Spain by setting up new industries, taking into account the availability of essential raw materials. Important increases in the production of paper and textile cellulose are expected over the next few years. Canadian firms interested in the report of the Inter-Ministerial Commission for Cellulose should write to the Commercial Secretary, Canadian Embassy, Madrid, for a copy when it becomes available.

The position with other pulps is not as difficult although supplies from Scandinavian sources are not as easy as they were. Spain's total requirements of wood pulp are met in part by local production, estimated for 1953 at 25,000 short tons of all types of chemical pulps (approximately 20,000 tons sulphite and 5,000 tons sulphate), and 25,000 tons of ground-wood pulp, or a total output of about 50,000 short tons.

Imports in the same year totalled approximately 100 thousand short tons, made up predominantly of 85,000 tons of dissolving pulps from Finland, Norway and Sweden, valued at approximately \$3,385,000 and about 15,000 tons of mechanical pulps from Norway and Sweden valued at approximately \$280 thousand.

Practically the entire distribution of paper grade pulps is handled by the "Consortio de Fabricantes de Papel"—the Spanish syndicate of paper manufacturers.

Large government or quasi-government textile artificial fibre manufacturers have recently purchased alpha-cellulose through compensation accounts. These firms

have exported a Spanish product or products and have been permitted to retain dollars for the import of this raw material, essential to their operations.

The possibility of Canadian pulp producers entering the Spanish market depends almost entirely on the ability of Scandinavian sources to meet the demand in this country. Import licences in dollars are not likely to be allocated unless supplies from other sources are insufficient to maintain operations of paper and artificial textile fibre manufacturers. The longer freight haul from Canada appears to make our pulp more expensive than that of northern European suppliers.

Nevertheless, the demand for pulps of all types, and particularly dissolving pulps for the textile trade, seems to be growing and it is not unlikely that Spanish users will be compelled more and more to seek supplies from dollar sources. Criticism that European representatives of Canadian pulp manufacturers are not located in Madrid has already been heard. Those interested in exploring the possibilities of importing Canadian pulp are loath to deal with agents located in Paris, London or elsewhere in Europe.

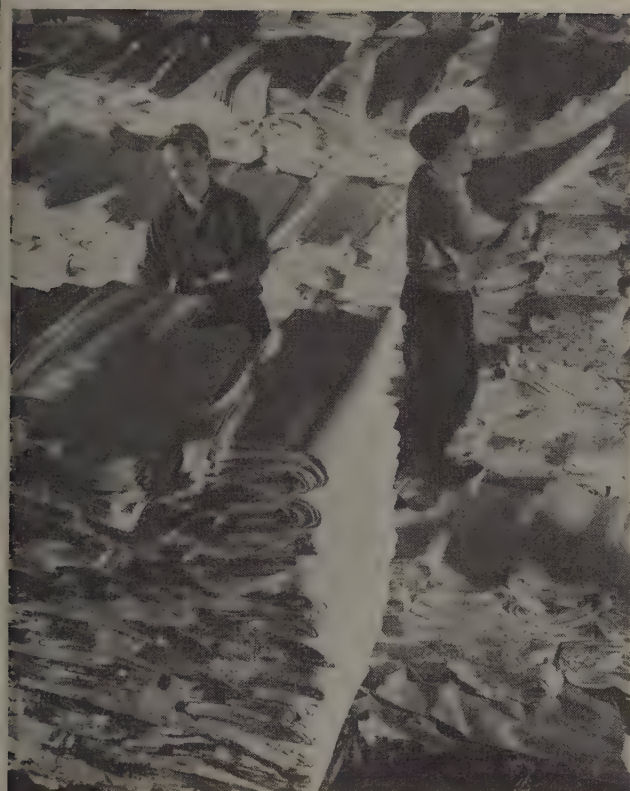
B. I. RANKIN,
Commercial Secretary, Madrid.

Switzerland – *Buys sulphate grades from Canada in small lots, on the basis of quality and price, but favours European suppliers.*

SWITZERLAND will probably be buying close to record amounts of wood pulp in 1955 and, as an important marginal supplier to the Swiss market, Canada can expect strong demand for its products to continue. Largely free from import and currency restrictions and internal controls, Switzerland uses large amounts of wood pulp and demand is still increasing. Efforts to raise domestic production have been partly successful with the help of greater pulpwood imports, but there appears to be a limit to such supplies. This in turn offers Canada the opportunity to re-enter this market after a two-year absence. Switzerland is also an active medium for transit trade, particularly to East European countries.

Domestic Production May Increase

Swiss mills have been producing more than two-thirds of the wood pulp consumed and a reasonably stable cutting policy yields about 325 thousand cubic metres of pulpwood a year. Imports of pulpwood are the key to any increase in production as stocks appear to be at normal levels.



—Malak

The lapped pulp which has come off the wet machine and has been pressed in a hydraulic press is piled up for storing. Wood pulp in this form is either for use in the mill in which it is made or for shipping short distances only.

Wood Pulp Production

Year	(000 metric tons)		Total
	Mechanical	Chemical	
1952	80	77	157
1953	80	70	150
1954*	90	85	175
1955*	90	85	175

* Industry forecast.

The mechanical pulp makers all turn out groundwood mainly for their own paper mills. The chemical production, which is sulphite, is used exclusively for paper manufacturing. This sulphite output is largely controlled by one firm and the remainder is shared by two paper mills producing for their own use.

Imports during the first nine months of 1954 exceeded those for the full year 1953 and the 1954 total may be the highest since 1946. Mechanical pulp imports

are minor; unbleached and bleached chemical pulp are the important categories. The unbleached has accounted for virtually all the variation in the volume of pulp imports during the past few years. Taking into account changes in stocks, one notes a progressive increase in the consumption of bleached chemical pulp. This reflects a trend towards the use of higher quality paper and paper products, and a consistently buoyant market for synthetic fibres since the end of 1952.

Imports of Wood Pulp

(000 metric tons)

Type	(Jan.-Sept.)		
	1954	1953	1952
Mechanical	0.4	0.6	0.6
Unbleached chemical	18.0	13.0	27.9
Bleached chemical	30.1	34.1	34.3
Total	48.5	47.7	62.8

Sweden, the main supplier, contributed 53 per cent of total imports during the first nine months of 1954, an appreciable decline from the 67 per cent of imports during 1953 and the 66 per cent of 1952. Sweden's predominance is greatest in the chemical unbleached for paper manufacturing and bleached for artificial fibre production; its proportion of imports of bleached chemical pulp for paper manufacturing declined from 57 per cent in 1952 to 41 per cent in 1954. Austria has been supplying a progressively larger porportion of the Swiss market, replacing Finland as the second supplier.

Imports by Countries

(000 metric tons)

Main Suppliers	(Jan.-Sept.)		
	1954	1953	1952
Sweden	25.7	32.2	41.6
Austria	8.6	6.2	3.7
Finland	5.9	3.7	9.5
Germany	1.6	1.5	1.6
France	1.5	1.4	1.5
CANADA	1.2	1.1	1.6
Total (all countries)	48.5	47.7	62.8

Switzerland controls exports of wood pulp and sells small quantities of both the mechanical and chemical types to France and Italy. During the first nine months of this year, exports reached 4,700 metric tons.

Switzerland's hard currency and varied world trading connections give it considerable scope for effecting sales to third countries. During the last few years such

Chemical Pulp Imports for Paper Manufacturing

(metric tons)

Year	CANADA			All Sources		
	Unbleached	Bleached	Total	Unbleached	Bleached	Total
1954 (Jan.-Sept.)	234	1,015	1,249	17,599	12,150	29,749
1953	157	954	1,111	12,676	12,051	24,729
1952	557	1,071	1,628	27,751	13,778	41,529

sales of wood pulp have approximated 10,000 tons a year.

Canada's Position

Canada has been a marginal supplier to Switzerland, selling in recent years exclusively chemical sulphate pulp for the paper manufacturing industry. It has supplied about 8 per cent of the total bleached imports used by that industry and a smaller portion of the unbleached.

Swiss chemical pulp production is confined to sulphite. As this process also predominates amongst the principal European suppliers, the paper and synthetic fibre industries in Switzerland have been geared to the use of sulphites. The country's close trading relations with European suppliers have ensured basic supplies without recourse to Canada, even though the market

is open to such competition. Since the artificial fibre industry itself accounts for between one-third and one-half of Switzerland's total imports of wood pulp, Canada's immediate opportunity to enter this market in a big way is limited.

The demand from Swiss manufacturers of finished products for sulphate grades of wood pulp is increasing. Although Swiss wood pulp producers have not yet undertaken such conversion, the principal European suppliers are gradually developing their output of sulphates. Under these circumstances, Swiss importers are reluctant to enter into long-term contracts with Canadian producers, preferring to buy in relatively small lots and on the basis of quality and price as the immediate market situation demands.

W. VAN VLIET,

Commercial Secretary, Berne.

India - Dissolving and special chemical grades of wood pulp needed by rayon industry; all types enter country on Open General Licence.

THE INDIAN MARKET for Canadian wood pulp for the manufacture of paper is limited, mainly because the bulk of the raw material used is bamboo, of which there are ample supplies strategically situated near paper mills.

Imports of sulphite pulp, both bleached and unbleached, amounted to less than 4,400 long tons in 1953, about equally divided between the two grades. There are no figures on the principal countries of supply, but Canadian trade figures do not show any exports to India.

Sulphate pulp is even less important in this market; imports of bleached sulphate during 1953 totalled only 400 tons and of unbleached sulphate, 50 tons. There is no indication that Canadians shared in this small trade.

No sulphite or sulphate wood pulp has been produced in India up to the present but some mechanical ground-wood pulp is turned out and is used mainly in the manufacture of paperboard. In terms of Canadian production, however, the quantity is almost infinitesimal—about 2,400 tons in 1953. Total capacity is estimated to be 3,500 tons.

Imports for Rayon Industry

The most important variety of pulp imported into India is dissolving and special chemical pulp for the rayon industry. India does not produce any rayon pulp and depends on imports. Until this year, two mills were making rayon yarn but recently a third

unit has come into production and two additional ones are being built. Imports during 1953 totalled 9,070 long tons, although consumption was not much over 5,000 tons. During the same period, exports from Canada amounted to 2,982 short tons, or approximately one-third of the total quantity, and 2,000 tons more than in the previous year. Since the production of rayon yarns appears to be on the increase, and as there is no suitable local raw material for making rayon pulp, the most promising field for the development of Canadian wood pulp exports is the dissolving and special chemical grades. It seems unlikely that the demand for pulp for papermaking will show any important change.

India does not export any wood pulp and probably will not in the foreseeable future. Indigenous production of paper is increasing and the domestic industry will probably be able to use up the local production that becomes available.

Factors in the Trade

Imports of all types of wood pulp are on Open General Licence which means that Canadian supplies enter this country on the same basis as supplies from the soft currency area. The bases of competition are principally price, quality and deliveries. European suppliers probably have an advantage in freight rates but since Canada supplied approximately one-third of the rayon pulp imported during 1953, it appears that these do not represent too great an obstacle.

Since the rayon industry of this country currently consists of only three mills, particular attention to the special requirements of each individual mill is the

proper approach to this problem rather than the establishment of a local sales organization.

Compared with many other export markets for Canadian wood pulp, India cannot be considered important. The demand for pulp for papermaking is unlikely to expand much because local supplies can take care of the bulk of it. Prospects for rayon pulp are better but here again, even though all supplies must be imported, the demand is comparatively small in comparison with the highly industrialized countries.

RICHARD GREW,
Commercial Counsellor, New Delhi.

Japan—*Despite a sizable domestic wood pulp industry, Japan ranks as Canada's third market for dissolving grades; recent Agreement on Commerce put Canada on equal footing with other suppliers.*

THE PULP INDUSTRY of Japan has more than made a complete recovery from the low level to which it slumped in 1946. Production in 1954 of all types of wood pulp will probably total 1,590,000 long tons, or 26 per cent above the peak prewar output of 1,257,137 tons in 1941. Production in 1953 totalled 1,483,819 tons, compared with 763,890 tons in 1950—or an increase of 102 per cent in the short space of four years.

This is a remarkable development, because before the war 60 per cent of the pulp was obtained from the Sakhalin Islands, Korea, and Formosa and all the modern mills were in those territories, now lost to Japan. Besides losing these sources of pulp and pulpwood, the Japanese industry at the end of the war was damaged, dismantled and dismembered for parts, or largely converted to the manufacture of war material. In 1945 production was less than a fifth of the record year; dissolving pulp suffered the greatest setback, with an output equal to only 5 per cent of 1941.

Meeting Domestic Demand

The manufacture of pulp and paper in Japan dates back to 1874, when machinery and accessories were imported from England, but the industry did not become commercially significant until World War I. Japan had attained self-sufficiency in newsprint in 1910 but it was not until 1938 that practically all the paper pulp required was domestically produced. Output of chemical fibres reached an all-time high in 1933 and in the following years consumption of dissolving pulp increased substantially. Until 1938, dissolving pulp

was largely imported, but in that year seven mills were established. By 1941, the dissolving pulp required for the rayon industry was largely obtained from mills in present-day Japan or Sakhalin and Korea.

Production Capacity

At the end of the Pacific war, Japan had a productive capacity of only 653,560 long tons of all types of pulp. The outbreak of the Korean conflict, coupled with the relaxation of restricting controls and the availability from domestic sources of increasing quantities of materials and power, was a challenge the Japanese industry accepted. The number of new plants erected in Japan equalled those lost in prewar overseas possessions. Damaged equipment was repaired, idle capacity brought into use, and high-yield pulping processes adopted. The result: productive capacity increased nearly threefold in four years.

Today 73 wood pulp mills and about 220 mills which turn out both pulp and paper have an annual pulp manufacturing capacity exceeding 1,860,000 long tons. Production is concentrated in ten leading companies whose combined output accounts for 63 per cent of the national total. Eleven important mills have an actual or potential capacity to produce over 320 thousand long tons of dissolving pulp, although some of this installed capacity is probably incapable of turning out dissolving pulp suitable for modern rayon mills and is therefore used to produce paper pulp or dissolving grades for other than the rayon industry.

Estimated and actual production since 1949 is given in the following table:

Pulp Production in Japan 1949-1954

	<i>Paper pulp</i>	<i>(in long tons)</i>	
		<i>Rayon pulp</i>	<i>Total</i>
1949	485,049	44,922	529,871
1950	637,287	99,603	736,890
1951	896,579	169,795	1,066,374
1952	1,037,057	183,143	1,220,200
1953	1,262,663	221,156	1,483,819
1954	1,324,164*	266,088*	1,590,252*

* Estimated.

Source: Survey of Economic Conditions in Japan, (Monthly); Mitsubishi Economic Research Institute, Tokyo.

As one of Japan's few natural resources, forests are of paramount importance and occupy 68 per cent of the total territory. In a land area roughly two-fifths the size of British Columbia, there are at a conservative estimate about 6,000 million cubic feet of coniferous timber. These stands are vital as a source of fuel and building material and also as a support to the large pulp industry. Japanese plastics, film, and cellophane manufacturers are not important consumers of

Sales of Canadian Wood Pulp to Japan

<i>Year</i>	<i>Value, total merchandise exports to Japan</i>	<i>Value, exports wood pulp and dissolving pulp</i>	<i>Pulp exports as percentage of total merchandise exports</i>	<i>Pulp exports to Japan as percentage total Canadian pulp exports</i>
1949	\$ 5,859,653	\$ 2,144,636 (\$2,144,536)	36.6%	1.26%
1950	\$ 20,533,149	\$ 674,201 (\$ 379,133)	3.3%	0.32%
1951	\$ 72,976,038	\$16,946,286 (\$7,113,228)	23.3%	4.64%
1952	\$102,603,245	\$ 5,942,313 (\$5,394,802)	5.8%	2.03%
1953	\$118,568,303	\$ 8,314,228 (\$7,014,280)	7.0%	3.34%
1954 (6 months)	\$ 61,430,184	\$ 4,484,067 (\$4,169,075)	7.3%	3.37%

Source: Trade of Canada; DBS, Ottawa.

pulp but over 250 firms producing annually 1,980,000 tons of paper and cardboard require large quantities. In addition, the internationally important rayon industry, needing well over 300 thousand tons of pulp per year, is a further drain on forest reserves.

Up-to-date reports of surveys of annual forest depletion are not available but an Allied Military Command report published just before the end of the occupation states "Forestry in Japan has followed a pattern of self-destruction for many years". Timber consumption in 1953 amounted to 2,150 million cubic feet—1,290 million cubic feet for lumber and pulp and 860 million for fuel. This rate of consumption greatly exceeds the maximum estimate of new growth of 824 million cubic feet a year. Over-cutting to meet current requirements must necessarily impair future output and is reflected in the strenuous efforts of manufacturers to obtain pulpwood and wood chips from the Pacific Northwest and Soviet timber from the Sakhalin Islands. However, recent trial shipments from the latter source have proved too expensive to reach substantial proportions even on a barter basis.

Important Import Market

Imports of wood pulp into Japan reached abnormal proportions and an all-time record in 1937, when 290 thousand tons of rayon pulp and 176 thousand tons of paper pulp were purchased from foreign countries. Today, Japan is an important market although pulp is not included in her 15 principal merchandise imports. In 1951, pulp imports constituted only 1.4 per cent of total imports; (1.1 per cent in 1952) and in 1953, when imports of 121,300 metric tons established a postwar high, they comprised only 0.84 per cent of the value of merchandise imports. During the occupation when SCAP (Supreme Commander for the Allied Powers) followed a policy of balanced trade with various countries, Scandinavia was the principal source of supply. Latterly, Canada, Sweden, Finland, the United States, and Norway, in that order, have been the main suppliers. Canada supplied half the sulphite rayon pulp imports of 75,589 tons in 1953 and Sweden one-quarter. During the same period Finland shipped 11,600 tons of sulphite paper pulp and Sweden 9,000 tons of total imports of 34,400 tons

for this grade. Severe restrictions were placed on imports of paper pulp from April 1, 1954, and were continued in the foreign exchange budget for the last half of the year. Therefore total imports of all types for 1954 are not expected to exceed those of 1953. On the whole, imports have not followed any established pattern but have been fitted to existing needs.

Imports from Canada

Although Japanese purchases do not represent a significant percentage of total Canadian exports of all grades of pulp, sales have been substantial, amounting to a record of nearly \$17 million in 1951, when all types of pulp were scarce. In the same year pulp accounted for 23 per cent of all Canadian merchandise exports to Japan. This high percentage was due to large spot sales of unbleached sulphite pulp, which have not been repeated.

As the table above shows, exports of dissolving pulp have been important for the past few years. Japan ranks as Canada's third market for dissolving grades, which in 1953 accounted for 85 per cent of total sales of pulp to that country. This figure will probably reach 93 per cent in 1954.

Decrease in Imports Expected

The Agreement on Commerce between Canada and Japan brought into effect in mid-1954 includes wood pulp in the nine commodities which are to be imported into Japan on a completely non-discriminatory basis, so far as foreign exchange usually allotted to various currency areas is concerned. Therefore as potential suppliers, Canadian mills are on an equal footing with producers in the United States and Scandinavian countries. Prior to the Agreement, Sweden and Finland supplied Japan with 8,160 tons of pulp in 1952 and 48,182 tons in 1953 on an open account or barter basis, in return for silk (for re-export), yarns, fabrics, and steel products. However, the more vital competition lies between the Japanese pulp producers, who are expanding their production, and the manufacturers (particularly of rayon filament) who would like to obtain global allocations to import cheaper qualities of pulp not available from Japanese mills.

In the foreign exchange budget for October 1, 1954, to March 31, 1955, no allocations were made for the import of paper pulp. The Ministry of International Trade and Industry conducted negotiations over imports of rayon pulp last September with chemical fibre manufacturers and pulp producers, all of whom held differing opinions on future domestic output and Japan's import requirements.

From this emerged a program of production and imports, endorsed by the Ministry, that was designed to provide for the consumption of 315 thousand tons of rayon pulp in fiscal year 1955 (from April 1, 1955). About 275 thousand tons are to be supplied by domestic mills and the remaining 40,000 tons filled by imports on a global basis. However, this import plan will be subject to modification should the Japanese producers' output fall short of their planned record production. If chemical fibre exports expand substantially during 1955, an additional import of 20,000 tons of dissolving pulp might be possible for those Japanese rayon manufacturers who produce for export, because imports of pulp and exports of rayon are linked under the Special Fund Foreign Exchange Allocation System.

R. F. RENWICK,
Assistant Commercial Secretary, Tokyo.

Taiwan — fair market for Canada, with emphasis on sulphate kraft pulps.

CANADIAN PRODUCERS account for a large share of Taiwan's growing wood pulp requirements. Import needs during 1955 are expected to total 14,000 metric tons, composed largely of sulphate kraft pulps, but including some sulphite pulp as well.

The capacity of the domestic pulp and paper industry has increased considerably over the last few years, due largely to U.S. aid extended under the FOA program for this area, but some imports still are necessary. The industry's 1954 production is estimated as follows:

Pulp Production

Sulphite wood pulp	7,200 metric tons
Bagasse pulp	20,000 " "
Straw pulp	6,000 " "
Bamboo pulp	4,300 " "
Rag pulp	not known, but small

The first three types are produced almost exclusively by mill units of the Taiwan Pulp & Paper Corporation, which dominates the industry. The sulphite comes from TPPC's Lootung mill; the bagasse pulp from its Hsinying mill; the straw pulp from the Corporation's Tatu plant. Smaller independent private companies

account for all the bamboo pulp and whatever rag pulp is made.

Bagasse Pulp Production

Taiwan's limited forest resources impose definite bounds on sulphite pulp output and it is doubtful whether the production rate for this type will increase appreciably. The island's extensive sugar cane industry, however, provides large supplies of bagasse and could be the basis for a considerable increase in output of bagasse pulp. The FOA aid program is in fact at this moment underwriting the rebuilding and the enlarging of the bagasse pulp mill at Hsinying. The objective is to have the paper industry make more use of the bagasse pulp potential and become less dependent on wood pulp imports. The full significance of this long-term policy remains to be seen. Meanwhile some bagasse pulp is exported and, as long as output keeps ahead of domestic consumption, this export trade will be fostered as a means of earning foreign exchange for Taiwan's planned economy. To date the principal market has been Japan. Gross exports in 1953 reached 2,070 metric tons and in 1954 should be about 4,000 metric tons.

Programmed imports of wood pulp during 1954 are approximately six thousand metric tons of bleached kraft sulphate, a similar amount of unbleached kraft sulphate, and two thousand tons of sulphite pulp. Imports during 1955 are expected to be about the same.

All such imports are strictly controlled and are only possible following foreign exchange allocation and the granting of import licences. Usually the imports are financed by United States FOA aid, with purchase usually by "commercial procurement", especially for the kraft pulps. Some of the Chinese Government's own separate funds are budgeted annually too, usually for the needed sulphite pulp, and in this case the foreign exchange is distributed to users on an import quota system.

For the past few years, Canadian suppliers have been getting a considerable share of Taiwan's total imports, in the face of competition from United States and Scandinavian mills. Official Taiwan statistics show wood pulp imports during the first nine months as 10,990 metric tons. Canadian figures give shipments to the island during that period as 5,220 metric tons, or 47 per cent of Taiwan's total wood pulp imports.

Of the particular types and grades of pulp in import demand, sulphate kraft bleached (with permanganate number below 16), and sulphate kraft unbleached (with permanganate number above 20), predominate. The trend of the past three years has been toward lower permanganate numbers. Imports of sulphite bleached pulp are less important; demand for mechanical pulp is very small.

Much of the kraft pulp ends as kraft paper for bag-making, to meet the considerable demand from the Taiwan Cement Corporation, whose needs are estimated as equivalent to 3,000 tons a year of unbleached pulp. Fertilizer companies and the Taiwan Sugar Corporation use lesser quantities and the manufacture of heavy cartons and containers for the tobacco factories and the food processing industry represents a promising new outlet. Current FOA development plans call for three paperboard mills, a tissue mill, and a rayon factory. These mills are expected to begin producing by 1956 and the rayon factory will probably use 1,600 metric tons of dissolving pulp per year. Although increased output of bagasse pulp will meet part of this demand, imported pulp should also share in this larger market.

Egypt – imports largely sulphite pulp, including small amounts from Canada, and needs growing.

IN 1953, Egypt imported 4,518 metric tons of wood pulp, according to the statistics issued by the Ministry of Finance. The latest figures cover the ten months from January 1, 1954, to September 30th and show that 5,982 metric tons of wood pulp were brought into the country; the total for the year is expected to be 8,500 tons. The following table classifies these imports by type and by country of origin.

	1953 12 months	1954 10 months (in metric tons)
Mechanical wood pulp		
Canada		715
United States		289
Total		1,004
Chemical wood pulp, sulphite		
Canada	248	190
Finland	1,777	1,307
Sweden	2,253	3,798
Other countries		12
Total	4,278	5,307
Chemical wood pulp, other than sulphite		
Canada	240	.....
United States		671
Total	240	671
Grand Total	4,518	6,982

Although wood pulp comes under the import regulations of the Department of Finance, it is regarded as

No ocean shipping problems face Canadian suppliers of pulp. As far as possible, the Chinese Government uses its own flag carriers, in an endeavour to conserve foreign exchange. Lines whose ships regularly ply between Taiwan and North America include the China Merchants Steam Navigation Co. Ltd. and China Union Lines Ltd. If circumstances require, ships of the Trans-Pacific Conference are also available.

Altogether, prospects for Canadian sales of wood pulp to Taiwan in 1955 are promising. Our wood pulp is highly regarded and our prices are competitive. Provided that importers can get the necessary foreign exchange, our exports should remain at 1954 levels, or may even increase.

T. R. G. FLETCHER,
Trade Commissioner, Hong Kong.

essential to local industry and the Ministry grants freely licences for its import.

Some Egyptian pulp-users make a practice of taking small quantities of kraft pulp and bleached sulphite pulp and blending them with rice straw and waste paper. These manufacturers have recently approached the Egyptian authorities and asked for additional customs protection against imported paper.

Bleached sulphite accounted for 75 per cent of the wood pulp imported up to September 1954 and was purchased by one company. Recently a newly established firm has opened a modern rayon yarn plant. It is importing 250 metric tons of this type of pulp in 1954 and expects to buy some 1,200 tons in 1955.

Prospects for Canadian Suppliers

As the figures in the table show, pulp exporters in the United States, Sweden and Finland are active in this market. Scandinavian producers benefit from the lower shipping rates from Baltic ports and from the fact that their local agents have excellent connections.

Nevertheless, the Canadian share of the wood pulp market in Egypt could be increased. Interested exporters should make a point of including Egypt as a port of call, should become acquainted with local problems, and should keep in close touch with their agents. This will help them to acquire a detailed knowledge of the market, indispensable in serving it properly.

M. R. M. DALE,
Commercial Secretary, Cairo.

Australia—Recent relaxation in import restrictions on wood pulp from dollar area should mean that Canadian producers can obtain a larger share of this market.

THE AUSTRALIAN PULP AND PAPER INDUSTRY over the past few years has developed into one of major importance. It now operates in all states, with two mills in New South Wales, nine in Victoria, three in Tasmania, and one each in Queensland, South Australia and Western Australia. Nearly all types of paper (with the exception of magazine printing paper) are produced, although not in sufficient quantities to meet local requirements.

Imports and Domestic Production

The most important products turned out are newsprint, paperboards and other papers. The only company producing newsprint is located in Tasmania and has a capacity of about 70,000 tons a year. Australia uses about 225 thousand tons of newsprint per year but by 1956 this should increase to about 250 thousand tons. Imports in 1953 totalled 139 thousand tons and are expected to be about 159 thousand in 1954. Production of paperboards has been growing in recent years and capacity at present approaches 120 thousand tons as against requirements of approximately 130 thousand tons. Planned increases in productive capacity should mean that the local industry can take care of total demand for paperboards over the next few years and the long-term prospects are for very limited imports.

Demand for wrapping, printing, writing and other papers is estimated at 180 thousand tons annually as against local production of about 103 thousand tons. Here again, expansion programs now under way will result in local production meeting more and more of the demand.

Before the establishment of the pulp and paper industry, many experts were sceptical about it, fearing that Australian eucalypts might not produce suitable pulp. These fears have proved unfounded and a short-fibred wood pulp produced from Australian eucalypts now forms the basis of the industry. Some quantity of long fibred wood pulp from softwood trees is required, however, and most of this comes from the Scandinavian countries and, in lesser amounts, from Canada and the United States. Small quantities are produced from Australian pine plantations and supplies from the newly established New Zealand mills are now entering the market. When the New Zealand mills reach full production it is expected that they will have an export surplus of between 40,000 and 50,000 tons a year which they hope to market in Australia. At present, supplies are entering Australia from New

Zealand at the rate of about 1,000 tons a month but this quantity will be increased substantially when the new mill at Murupara comes into production.

Imports of Pulp

MECHANICAL			
Country	1951-52	1952-53	1953-54
Sweden	1,650 tons	1,352 tons	3,116 tons
Finland	3,937 "	.....	.....
Total	5,587 "	1,352 "	3,116 "

SULPHITE			
Canada	7,401 tons	6,355 tons	1,586 tons
New Zealand .....	.....	.....	11,017 "
Finland	2,470 "	1,172 "	2,512 "
Norway	1,660 "	499 "	700 "
Sweden	11,379 "	7,468 "	15,164 "
United States	89 "	1,872 "	95 "
Total	22,999 "	17,366 "	31,074 "

OTHER CHEMICAL			
Canada	2,496 tons	2,037 tons	1,098 tons
New Zealand .....	.....	.....	10,651 "
Finland	5,855 "	915 "	7,710 "
Sweden	15,209 "	7,817 "	27,311 "
Other	49 "	.....	839 "
Total	23,609 "	10,769 "	47,609 "

Pulp production in Australia increased from 6,000 tons in 1938 to 98,896 tons in 1952, 125,236 tons in 1953 and an estimated 172,465 tons in 1954. Consumption meanwhile has gone up from 42,000 tons in 1939 to 138,772 tons in 1952, 201,668 tons in 1953 and an expected 243,393 tons in 1954. It is probable that the tendency for imports to represent a progressively smaller proportion of requirements will continue.

Import Restrictions Eased

Although present expansions to Australian pulp-making capacity should increase the short-term need to import softwood pulps for mixing with eucalypt pulp for high-grade paper, an ambitious program of planting softwoods for pulping is being undertaken by a large Australian company and this will eventually make the country less dependent on overseas sources of supply for long-fibred pulps.

One development of interest to Canadian suppliers is a recent change in import licensing policy as it affects imports of pulp from the dollar area. In the past few years, licences have been granted for Canadian pulp on a spot basis at times when supplies from other sources were not available. Under the changed policy, importers of pulp will be permitted to purchase 10 per cent of their imports from the dollar area beginning January 1, 1955. This should result in a larger share of the market going to Canada.

Over the past few years developments in the field of plastics and rayon have created a demand for high-cellulose-content dissolving wood pulp and it is estimated that the present market is between 5,000 and 6,000 tons annually. A large proportion of this is supplied from the dollar area. The market for this type of pulp is likely to increase, particularly because, over the next two or three years, a plant may be

erected to produce transparent cellulose film. Several overseas producers of the film have, in recent months, looked over the local scene with a view to producing in Australia. It seems quite likely that a plant will be built within the next few years, though naturally one cannot estimate what its needs of wood pulp will be.

C. M. FORSYTH-SMITH,
Commercial Secretary, Sydney.

Argentina — Bought considerable quantities from Canada last year for first time since 1941; aggressive selling might pay here.

DURING THE SECOND HALF of 1954, Canada and the United States reappeared in the Argentine market as wood pulp exporters. Not since 1940 and 1941 had these two producers supplied any considerable volume of pulp; from 1950 on, the Scandinavian countries, mainly Sweden, have been Argentina's sole suppliers. Consumption for 1955 is estimated at about 220 thousand metric tons, 31 per cent of which probably will be supplied by the domestic industry.

The second Five-Year Plan calls for an annual production by 1957 of 18,000 tons of alpha-cellulose, 50,000 tons of mechanical pulp and 135 thousand tons of chemical pulps. Unofficial estimated production of pulps for 1953 and 1954 are 40,000 and 55,500 tons respectively and an increase to 69,500 tons is expected for 1955. The following table shows these trade estimates of domestic production by types for the years mentioned.

	1953	1954	Estimated 1955
	(in metric tons)		
Alpha-cellulose from cotton linters (dissolving pulp).....	7,500	9,000	9,000
Bleached wheat straw cellulose (Pomilio system)	15,000	22,000	25,000
Bleached sulphate from various woods and bamboo	6,000	8,000	8,000
Bagasse semi-pulps	2,500	2,500	2,500
Groundwood	9,000	14,000	25,000
Totals	40,000	55,500	69,500

To attain self-sufficiency and to cover from domestic production the increasing demand for all types of paper contemplated under the second Five-Year Plan, a number of new plants are under construction in different parts of the country where raw materials are close at hand. A new plant in Misiones with a daily capacity of 100 tons, owned by Celulosa Argentina S.A., the

largest producer of pulp, is expected to start operating towards the end of 1955, producing 50 tons of unbleached sulphite a day.

Other smaller mills are expected to begin producing in late 1955 or early 1956, turning out certain special types of pulp, including semi-chemical grades. However, it will be several years before Argentina is likely to have an export surplus of any kind of pulp.

Pulp Imports

A variation in supply pattern became apparent in the second half of 1954. Official statistics for the first half of the year show imports from the Scandinavian countries of 45,000 tons. However, shortly before the end of the first half of the year, Sweden was apparently unable to accept orders for pulp from Argentina and the Central Bank recalled some permits originally issued in Kröner and reissued them for tonnage from the dollar area. Although no official figures are available yet, it is estimated that a total of about 73,000 tons was purchased from the North American countries for delivery during the second half of 1954.

Official comparative import figures for 1952, 1953 and six months of 1954 are as follows:

	1952	1953	(6 months) 1954
	(in metric tons)		
Austria	6,648.2	.....	.....
Finland	48,527.3	15,981.3	12,746.2
Sweden	26,676.9	20,076.1	32,170.0
Yugoslavia	4,492.3	.....	.....
United States .....	.....	249.7	.....
Norway .....	.....	.....	211.4
Total	86,344.7	36,307.1	45,127.6

Imports for the second half of 1954 are expected to be:

Finland	45,000 tons
Sweden	34,000 "
Canada and U.S.	73,000 "
Total	152,000 "



—Malak

Here dry wood pulp for export undergoes a final inspection. At this stage, the pulp is checked for impurities, spots, or discolourations, in the interests of quality control.

This would give a total of 197 thousand tons for the full year 1954.

Allocations for pulp imports in 1955 are expected to reach 160 thousand tons, with the following approximate percentages: bleached sulphate 5 per cent; unbleached sulphate 20 per cent; bleached sulphite 15 per cent; unbleached sulphite 45 per cent and groundwood 15 per cent.

Trade circles are of the opinion that Sweden will be in a position to supply only 60,000 tons of this, leaving a substantial portion for allocation to the dollar area. The peak of pulp imports was reached in 1951 (128,747 tons—availability 165,477 tons). This was followed by low imports in 1952 and 1953 because of the scarcity of foreign exchange. Paper mills have exhausted their reserve stocks and will require imports to maintain their normal production schedules and cater to increasing demand.

Exchange Controls

Foreign exchange control is administered by the Government through the Central Bank. The latter issues circulars from time to time outlining the permitted imports and from what sources these may be obtained. Pulp may not be imported until the appli-

cant has been granted a foreign exchange permit which stipulates the product, the country or area of supply, and the currency to be paid.

Argentina's dollar position, although still tight, improved considerably during late 1953 and in 1954. When goods essential to the economy and to the welfare of the country cannot be obtained under existing bilateral trade agreements, (of which Argentina has about 24) or from soft currency areas, dollar allocations will be granted. This fortunately applies to limited quantities of pulp.

Marketing by Canada

The rigid control of imports and the method of issuing import licences with short-term limits set for filing applications makes it essential that Canadian suppliers be represented in Argentina by suitable agents. Between big and small companies there are about 50 to 60 paper mills in Argentina of which about 60 per cent are potential consumers of pulp; the others use cuttings. Paper manufacturers have been well served by Scandinavian producers over a long period and have been reluctant to change their purchasing habits by switching to North American suppliers. However, an active and aggressive agent, with an occasional personal visit by a Canadian sales representative, should help interested firms to gain a firm footing in the Argentine pulp market.

M. C. FLYNN,

Office of the Commercial Counsellor, Buenos Aires.

Brazil — Consumption is increasing but imports from Canada fluctuate with rise and fall in Brazil's dollar reserves.

BRAZIL, like most other nations today, consumes ever-increasing quantities of paper products. To meet this demand, Brazilian production of all types of wood pulp has grown from 105 thousand tons in 1948 to an estimated 203 thousand tons in 1954. During the same period, consumption has increased from 160 thousand to 360 thousand tons. Domestic production has not kept pace and the country has had to rely on imports to make up the difference.

There are about sixteen mills in Brazil producing chemical pulp, although only two of them are occupied solely in turning out wood pulp. The others are paper mills producing pulp for their own use. There is a small production of dissolving pulp made from cotton linters and waste and this is used in the manufacture of artificial fibres. Half of the domestic production of mechanical pulp comes from one mill which uses

Parana pine, and the remainder from about a hundred small mills scattered around the country. The following table shows the estimated capacity and production of various types of wood pulp for 1954:

Sulphite

	Capacity to produce (estimated tons)	Production (estimated tons)
Dissolving and special	2,500	1,800
Bleached paper	50,000	50,000
Unbleached	12,000	12,000
Other chemical wood pulp	60,000	40,000
Mechanical wood pulp	100,000	100,000

Canada's share of the Brazilian market for wood pulp has had its ups and downs because of Brazil's dollar troubles. In the postwar years, imports from Canada have ranged from none in 1949-1950 to 12,000 tons in 1951, 10,000 tons in 1952 and 174 tons in 1953, (the latter all rayon pulp). The following table shows the principal suppliers and quantities since 1948:

	1948	1949	1950	1951	1952	1953
Sweden	30,388	73,872	108,003	79,446	57,702	88,875
Finland	6,665	16,109	21,923	25,052	12,593	15,230
Norway	1,422	1,835	2,148	3,345	3,831	806
United States	838	653	99	10,669	11,998	1,069
Canada	4,725	.....	.....	12,773	10,006	174
Total	44,038	92,469	132,173	131,285	96,130	106,154

Canadian DBS statistics show Canada's total pulp exports to Brazil for 10 months 1954 as 10,540 short tons.

The Scandinavian countries, and Sweden in particular, have long been the main suppliers of wood pulp to Brazil. The first recorded imports from Canada were in 1937 and from then until 1945, imports totalled a few hundred tons a year. However, in 1945 they jumped to 4,000 tons and continued to grow until Brazil's postwar dollar difficulties in 1949. The pattern of imports from the United States has followed the Canadian one very closely.

Difficulties Facing Canadians

Under the existing import regulations in Brazil, where all foreign currencies are sold by auction to the highest bidder, one might assume that the opportunities for Canadian wood pulp and for Scandinavian pulp are about equal. However, this is not the case, for good reason.

Each week the Bank of Brazil allocates to registered importers at public auction varying amounts of foreign currency, depending on how much is available. All imports are divided into five categories, ranging from essential to luxury items. Wood pulp is in Category Two. There are many commodities competing for the U.S. dollars available for Category Two imports, and in recent weeks buyers have been paying fantastically high premiums for their requirements. On the other hand, there are not the same number of commodities

in the second category available from the Scandinavian countries. The premiums are therefore much lower. This gives the Scandinavians a tremendous advantage price-wise, and as long as the present import policy is maintained and Scandinavian supplies are available, it would seem difficult to increase the volume of Canadian wood pulp sales to Brazil. However, Canadian exporters would be well advised to maintain the closest contact with their Brazilian representatives.

The paper industry here has expanded rapidly since the war and unless the pulp industry undertakes a tremendous expansion program—and there are no indications of this—Brazil will continue to require considerable imports. The country itself is expanding rapidly and with that expansion, the use of more paper of all types is inevitable. Canada has had a fair share of this market in the past and only the present system of auctioning currencies hampers us in continuing to enjoy this share.

H. M. MADDICK,

Assistant Commercial Secretary, Rio de Janeiro.

Chile — *Big development projects now being discussed should establish Chile as net exporter of wood pulp by 1965, but will probably continue to buy abroad certain paper grades of chemical pulp.*

IF PRESENT EXPECTATIONS are realized, Chile will become a major producer of pulp within the next few years. People close to the industry estimate that an annual production of 700 thousand tons by 1964 is not unlikely. This forecast is based primarily on two considerations. The first is the country's ample pulpwood reserves—recent forest inventories have established the existence of large stands of trees with excellent pulping qualities.

The second factor is the pulp and paper expansion program of the Chilean Development Corporation, the government agency charged with promoting the industrial development of the country. The Corporation has studied carefully the means by which Chile's pulpwood forests can best be exploited and has, in fact, already met with some success in its development plans. Now under construction are a kraft pulp mill and a newsprint mill, financed largely by a \$20 million International Bank loan negotiated by the Corporation. The pulp mill will have an annual capacity of 47,000 tons, and the newsprint plant, 44,000. Both are expected to come into production in 1956 or

1957. The Corporation has other projects under consideration.

Expected Demand

The following table shows the estimated future demand for chemical and mechanical pulps by main end-uses:

End-Use	Year	Chemical Pulp (metric tons)	Mechanical Pulp (metric tons)
Newsprint	1955	4,500	32,100
	1960	5,300	37,700
	1965	6,300	44,300
Other papers and boards	1955	39,800	5,600
	1960	50,200	7,600
	1965	63,200	8,900
Totals	1955	44,300	37,700
	1960	55,500	45,300
	1965	69,500	53,200

The following figures, issued by the local authorities, demonstrate productive capacity and demand for the coming years:

	1953 Capacity (metric tons)	Future Balances		
		1955	1960	1965
Newsprint	12,000	-22,900	+15,000	+ 7,800
All other papers and boards	57,000	- 5,200	- 4,300	-24,600
Chemical pulp for paper	5,500	-38,800	- 8,300	-22,300
Dissolving pulp .....	.....	- 6,000	+70,000	+66,000
Mechanical pulp	18,000	-19,700	+12,700	+ 4,800
- Deficit.				
+ Surplus.				

This table indicates a strong demand for imports of each of the above groups of pulp and paper products in 1955, which is expected to diminish noticeably by 1960. However, a continuing deficit in production of papers and boards and chemical pulp for paper is expected over the next ten years, indicating the need to import a considerable tonnage of these grades, at least throughout that period.

Changes in Demand

Thus, while a potential development of over 700 thousand tons of pulp annually by 1965 is envisaged, Chile's expansion programs are not expected to increase productive capacity to more than 200 thousand tons by that time, according to demand and export balance figures. However, even this tonnage represents a considerable extension of pulp-manufacturing facilities and would establish Chile as a net exporter. The requirements of the expanded industry will be largely met by domestic production, but Canadian pulp producers should have an opportunity to sell certain paper grades of chemical pulp in this market for some time to come.

R. E. GRAVEL,
Commercial Secretary, Santiago.

Cuba—United States is chief supplier but Canada also in picture; experiments with bagasse pulp proceeding.

CUBA has no wood pulp industry and consequently depends on foreign sources to fill the needs of her three paper mills and one rayon mill.

According to Cuban trade figures, imports of all types of dry pulp during 1953 amounted to 21,097 short tons valued at \$1,600,210 and distributed by countries as follows:

	Short Tons	Value
United States	10,791	\$ 730,714
Sweden	8,021	719,860
Finland	2,241	145,768
Switzerland	44	3,868
	21,097	\$1,600,210

Imports from Canada

Official DBS figures of Canadian pulp exports to Cuba, however, show the following:

	(1st 10 mos.)				
	1954	1953	1952	1951	1950
	(short tons)				
Sulphate—kraft bleached .....	.....	86	.....	.....	.....
Sulphate—kraft unbleached	825	525	560	458	1,006
Sulphite—bleached, dissolving....	.....	2	.....	.....	660
Sulphite—bleached, paper grades	225	.....	.....	.....	97

It is possible that some or most of these quantities are included with imports from the U.S. in the Cuban trade figures.

The rayon mill located in the port city of Matanzas requires approximately 10,000 tons of dissolving pulp a year, and the remainder of the imports comprise mechanical groundwood, bleached and unbleached sulphate, and bleached and unbleached sulphite used by the paper mills. Their principal product is wrapping paper but they are also turning out bond, tissue, toilet paper, and cardboard.

Pulp used as a prime material by Cuban industry is exempt from Customs duties and not subject to import licences. Sales are usually made in U.S. dollars which are at par with the Cuban peso.

Experiments with Bagasse

Experiments in the manufacture of pulp from sugar cane bagasse have, of course, been under way for some time. According to BANFAIC—the Cuban Government's industrial and agricultural development bank—the production for the Cuban paper and plastics industry of pulp from bagasse is still in the study stage.

The Havana press, however, has mentioned the possibility of North American private capital taking an interest, jointly with Cuban sugar producers, in bagasse pulp production with the aim of turning out up to 50,000 tons a year in the relatively near future. Should this come about, Cuba would have a considerable surplus over her present requirements either for export or for new domestic pulp-using industries.

Meanwhile, Canadian pulp, at current prices, will continue to find a market in Cuba. This is particularly true of sulphate pulp, now much used as a substitute for bleached sulphite.

G. A. BROWNE,
Commercial Secretary, Havana.

Peru — Imports entire needs but market small; best opportunities for bleached sulphite.

PERU does not produce any of the wood pulp which it uses and must depend entirely on imports. The principal types of pulp which it purchases are the following:

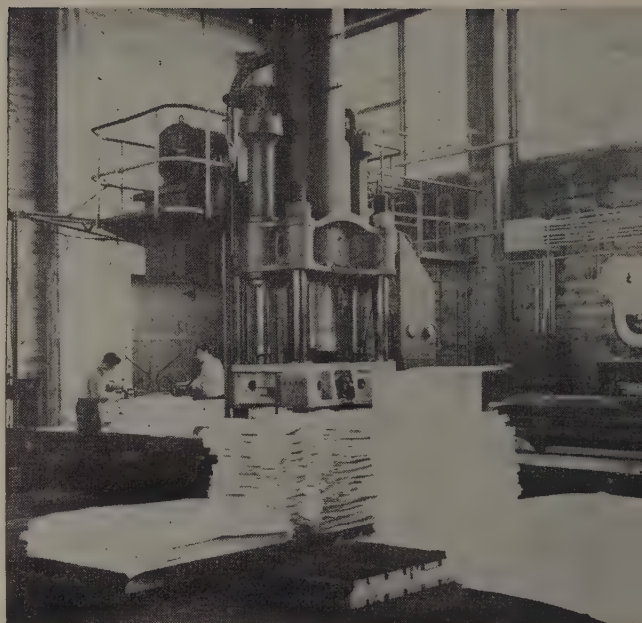
Bleached sulphite wood pulp, used principally in the production of rayon. Imports in 1953 amounted to only 261 metric tons but in the first four months of 1954 increased to 481 metric tons. Most of this came from the United States and Sweden. Canada has not supplied any bleached chemical wood pulp since 1948, when Canadian exports reached 378 tons.

Unbleached sulphate pulp, imported for mixing with bagasse pulp. At present from 10 to 50 per cent of wood pulp is required to increase the tearing strength of the kraft made from bagasse. Most of the paper so produced is used in multi-walled kraft bags for the sugar and cement industries.

Unbleached chemical wood pulp, which has for some years averaged between six and seven thousand metric tons a year, with Canada supplying between 10 and 25 per cent. Imports in 1953 were 6,145 tons; Canada's share about 1,400 tons. Sweden and the United States are the other chief suppliers.

Market Open but Small

Peru has no import restrictions nor currency and exchange controls. Canada's chief competitors in this market, the United States and Sweden, offer pulp of slightly different characteristics. For example, one bagasse mill uses both Swedish and Canadian wood pulp because it finds a combination of the two pulps



—MacMillan and Bloedel

In a West Coast mill, bleached chemical pulp is pressed and baled. Laps from the wet machine are put into a hydraulic press to reduce the moisture content and the weight. They are then baled and wrapped ready for export.

superior for mixing. Some foreign suppliers are granting long credit terms and even some consignment shipments are being received.

One of the main suppliers, an export house operating from New York, offers Canadian, Swedish and American wood pulp and gives additional service by having a representative visit this territory at frequent intervals.

From the figures given above it is obvious that the market is relatively small, but as rayon production rises, imports of bleached sulphite pulp will increase. In the kraft field, however, it appears probable that as technical knowledge about the use of bagasse accumulates, a smaller proportion of imported wood pulp will be required.

The Outlook

Peru also has a source of raw material that it has not yet exploited—the “ceticó” tree, something like our poplar, which grows abundantly in the Oriente or jungle side of the country. At the moment, however, it is not used because of its inaccessibility and because technical study is not far enough advanced. It seems likely that Peru's wood pulp needs will continue to come from foreign countries for some years, and that, in the immediate future, imports from Canada will remain at the present level.

H. J. HORNE,
Commercial Secretary, Lima.

trade and tariff regulations

Benelux

TARIFF SUSPENSIONS ON CANNED SALMON AND LUMBER RENEWED—The Customs duties on certain goods entering Belgium, the Netherlands and Luxembourg, which have been suspended on a yearly basis since the common Benelux tariff came into force in 1948, will again be fully suspended until the end of 1955. Among the items on which duties remain suspended, Canadian exporters will be particularly interested in canned salmon and sawn lumber.

On the other hand, earlier duty reductions on certain kinds of synthetic silk yarns and waste have not been renewed and full duties now apply to these goods.

It was announced at the same time that the 2 per cent import tax on newsprint remains suspended during 1955. However, the basic $4\frac{1}{2}$ per cent transmission tax still applies to this product—Brussels, Jan. 7.

Brazil

EXCHANGE REMITTANCE TAX—The tax on exchange remittances from Brazil has been increased from 8 per cent to 10 per cent effective January 1, 1955.

The tax is collected by the banks in Brazil at the time of closing the exchange to cover payments for imports, freight charges and various other remittances. The tax is computed at the official rate of 18.82 cruzeiros per U.S. dollar. Transactions closed on and after January 1, 1955, will be subject to the highest rate, even if the request for exchange has been registered and approved prior to that date. As an exception, exchange remittances covering imports which entered Brazilian Customs up to December 31, 1954, will be subject to the lower rate of 8 per cent.

In accordance with the original law, transactions excepted from the exchange remittance tax include certain non-trade items, and payments for newsprint, fuels, lubricants and essential foodstuffs as specified by presidential decree.

British Guiana

LICENSING ANNOUNCEMENT—The Controller of Supplies and Prices, British Guiana, advised quota holders on December 29, 1954, that quotas have been established for the import of magazines and books from Canada and the United States for the year 1955, and that applications for licences would be considered as from that date.

Ecuador

CONSULAR FEES—In the January 8th issue of *Foreign Trade*, page 37, changes in the ad valorem portion of the Ecuadorean consular fees were reported. It should be noted that the new preferential rate of 6 per cent applies to shipments via the Flota Grancolombiana only when the goods are carried on national flag ships of Ecuador and Colombia.

When shipment is on vessels of other countries, even when under charter of the Flota Grancolombiana, the ad valorem consular fee is $8\frac{1}{2}$ per cent.

Federation of Rhodesia and Nyasaland

IMPORT CONTROLS—The Federal Government has just announced its program for the import of goods from dollar and other non-sterling sources for the first half of 1955. The following is a list of products which may be imported into the Federation from these countries without currency restriction. They still require import licences, but these will be issued subject to scrutiny only. Goods prefixed by the asterisk are new items freed from current restrictions:

- Animal charcoal
- Animal feedingstuffs
- Canned milk
- Dried milk
- Edible nuts (excluding peanuts)
- Glue
- Infants' food (milk based only)
- Hog and other sausage casings
- Molasses for industrial use
- Olive oil
- Olives, in bulk
- Plants, trees, bulbs and seeds for planting
- Raw chicory
- Raw coffee
- Seeds and spices edible unprocessed (excluding pepper)
- Canned fish
- Brandy stock for blending
- Spirituous perfume compounds for industry
- All raw materials for blanket manufacturers
- All yarns other than cotton for industry
- Fibres for brush making
- *Industrial haberdashery as defined
- Tapestry and ticking for furniture manufacturers
- *Agricultural machinery
- Aircraft spares
- Aluminum ingots
- Ball and roller bearings
- Garage workshop equipment and specialized maintenance tools as defined
- Graphite electrodes
- Hand tools
- Lead, mercury, zinc
- Mining and industrial equipment for "industry" as approved
- *Mining and industrial equipment, as defined, and which is the normal stock-in-trade of commercial firms
- Mosquito gauze
- *Spare parts—bicycles
- Spare parts—motor cycles

Spare parts—motor vehicles
 Spare parts—agricultural machinery
 *Steel, as defined
 Outboard motors over 20 h.p.
 Filter plants and filters for the purification and softening of water
 Lifts, hydraulic or electric and gates
 Air conditioning machinery and air distributors and inlets used in connection therewith
 Windmills
 *Pressure lamps and pressure stoves
 Abrasives
 Diamonds, industrial
 Glass, plate, sheet and mirror
 School slates and pencils
 Earths and clays
 Marble, rough-sawn and chips
 Carbon black
 Flotation re-agents
 Lux perfume
 Paraffin and other waxes for industry
 Pigments for paint manufacturers
 Petroleum products, miscellaneous
 Oils, lubricating, special
 Oils for industry—animal, vegetable and mineral
 Resin
 Tallow
 Turpentine and substitutes
 Insecticides
 Medicinal drugs and chemicals excluding proprietary medicines
 Synthetic vitamins
 Acids for industry
 Borax
 Chemicals for industry
 Cyanide
 Chinchona alkaloids for further processing
 Dyes
 Fertilizers and fertilizer borate
 Gases for industry
 Polystyrene moulding powders
 Solvents for industry
 Disinfectants
 Unmanufactured rubber including synthetic rubber
 Unmanufactured timber
 Wood pulp
 Wallboard and hardboard
 Empty barrels and casks
 Empty boxes and shooks
 Veneers
 *Cork manufactures, including flooring and tiles
 Paper for converters as defined
 Printing paper
 Books, printed music, newspapers, periodicals and paper dress patterns
 Newsprint and newspaper matrix advertisement services requirements
 Printers' requisites special
 Sensitized paper
 *Drawing inks
 Fish hooks plain (i.e., excluding artificial lures, flies, spoons, etc.)
 Watches and clocks not exceeding £15 each f.o.b.
 Dental, optical and surgical instruments
 Battery cases and separators
 *Photographic apparatus and materials

Currency allocations have been established for the first half of 1955 to import the following goods from the dollar area. For comparison, allocations are given for the previous six-month period.

	Currency Allocations	
	July-Dec. 1954	Jan.-June 1955
Wheat	£ 70,000	£ 50,000
Cigars .....	.....	3,000
Agricultural machinery	220,000	unrestricted
Mining and industrial machinery	438,000	unrestricted

Steel	25,000	unrestricted
Electrical goods and spares ..	13,000	20,500
Commercial vehicles	455,000	470,000
Miscellaneous lighting manufactures	10,500	10,500
Radio manufactures	3,000	4,000
Venetian blind hardware	1,500	1,500
Oil companies' pump and depot maintenance	13,000	9,000
Asphalt and bitumen	10,000	15,000
Minerals and earthenware ..	1,000	1,000
Tires and tubes, special sizes	11,000	11,000
Plywood and blockboard	7,500	7,500
Office equipment	42,500	42,500
Pictorial seed packets	1,000	.....
Wrapping paper	11,500	10,500
Metal watch straps	2,200	3,250
American sea reels	4,450	6,250
Commercial cinema spares ..	4,500	4,500
Photographic equipment	2,300	unrestricted
Precision instruments	3,000	3,000
Miscellaneous	39,000	39,000
Mining companies	850,000	850,000
government departments, commissions and railways..	655,000	480,500

France

DOLLAR IMPORT ALLOCATIONS FOR WOOD-PULP, PULPWOOD AND SEEDS—It has been announced that the French Government will allocate exchange for imports of 20,000 tons of bleached pulp; \$1 million worth of seeds without restriction as to types; and approximately \$3 million of pulpwood. Imports will be made through normal commercial channels—Paris, Jan. 3.

India

IMPORT CONTROL POLICY FOR JANUARY-JUNE 1955—Cabled advice from New Delhi reports that the Indian import licensing program for the period January-June 1955 makes no drastic changes in import policy. Some slight liberalization is provided for imports from the dollar area, either by increasing import quotas, as in the case of metal-working tools and machinery, or by permitting holders of soft currency licences to use a portion of these licences for imports from the dollar area. Certain types of motors, pumps, electrical control gear, essential oils, and moulding powders are among the goods in the latter class.

A few consumer items such as cigarettes, playing cards, camphor and saccharine may now be imported from the dollar area providing that dollar prices are competitive.

Ammonium chloride, barium carbonate, and polystyrene have been removed from Open General Licence, and rock phosphate has been added.

Because of progress in local manufacture, import quotas for penicillin, streptomycin, sparkplugs, shock absorbers, iron and steel wire rope, and wire strand have been reduced.

foreign trade service abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada C. M. Forsyth-Smith, Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania) New Zealand	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU 4716
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Brazil	M. P. Carson, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
*Ceylon	Office of the High Commissioner for Canada	6 Gregory's Road, Cinnamon Garden, COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> DOMCANADA <i>Tel.:</i> 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary J. P. Lancaster, Assistant Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	<i>Mail:</i> Apartado 1618 <i>Airmail:</i> Apartado Aereo 3562 <i>Cable:</i> CANADIAN <i>Tel.:</i> 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	<i>Mail:</i> (City Address) <i>Cable:</i> <i>Tel.:</i> Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Haiti, Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary J. H. Stone, Assistant Commercial Secretary	3 rue Scribe, PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPERA 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor I. V. Macdonald, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Mail:</i> P.O. Box 444 <i>Airmail:</i> P.O. Box 400 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner M. B. Blackwood, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
India	D. M. Holton, Canadian Government Trade Commissioner W. P. Birmingham, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Assistant Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 846-842

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner R. R. Parlour, Assistant Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858
Japan Korea	J. C. Britton, Commercial Counsellor R. F. Renwick, Assistant Commercial Secretary	Canadian Embassy, TOKYO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
Japan	Paul Sykes, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	<i>Mail:</i> P.O. Box 513 <i>Cable:</i> CANADIAN <i>Tel.:</i> 48966
Lebanon Iraq, Jordan, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	<i>Mail:</i> Bôte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 71150
Philippines	F. H. Palmer, Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General Ayala Building, Juan Luna Street, MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48-1°D., LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya Tanganyika, Uganda, Zanzibar	K. F. Noble, Canadian Government Trade Commissioner H. E. Campbell, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edificio España, Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 22-28-10
Sweden Finland	F. W. Fraser, Commercial Counsellor L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet Commercial Secretary W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Assistant Commercial Secretary W. G. Pybus, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701 <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States	H. A. Gilbert, Commercial Secretary		
	W. L. Porteous, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	<i>Mail:</i> (City Address-) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUDson 6-2400
	C. R. Gallow, Consul and Trade Commissioner		
	C. E. Butterworth, Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Vice Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> HANcock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. V. N. Gordon, Vice Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> WOODward 5-2811
	J. H. Bailey, Vice Consul and Assistant Trade Commissioner		
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> VANDike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RAYmond 2136
	A. A. Caron, Vice Consul and Assistant Trade Commissioner		
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> SUTter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MUTual 3515
Uruguay Paraguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal Calle Colonia 1013, 7° Piso, MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	<i>Mail:</i> Apartado 3306 <i>Cable:</i> CANADIAN <i>Tel.:</i> 55818
	F. B. Clark, Asst. Commercial Secretary		
Venezuela Colombia	D. B. Laughton, Acting Agricultural Secretary		

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1.03526.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 7	Notes (See below)
Argentina	Peso	Preferential buying .....	.1288	
		Basic buying .....	.1932	
		Preferential selling .....	.1932	(1)
		Basic selling .....	.1288	
		Free .....	.06953	
Austria	Schilling ...		.03715	
Australia	Pound		2.1540	
Belgium Luxem- bourg & Belgian Dependencies ...	Franc .....		.01932	
Bolivia	Boliviano ..	Official .....	.00508	
British West Indies	Dollar .....		.5609	(3)
	Pound		2.6925	(4)
Brazil	Dollar	Brit. Honduras .....	.6731	
	Cruzeiro ...	Official selling .....	.05132	tax 10%
		Official buying, coffee ...	.03066	(2)
		Official buying, other ...	.03406	(5)
		Free .....	.01284	
Burma	Kyat .....		.2028	
Ceylon	Rupee .....		.2019	
Chile	Peso	Official .....	.00483	(1)
Colombia	Peso	Basic .....	.3864	
Costa Rica	Colon	Official .....	.1720	(6)
		Controlled free .....	.1455	
Cuba	Peso .....		.9659	tax 2%
Czechoslovakia ...	Koruna .....		.1341	
Denmark	Krone .....		.1398	
Dominican Republic	Peso .....		.9659	
Ecuador	Sucre	Official .....	.06440	
		Free .....	.05574	
Egypt	Pound		2.7737	
Fiji	Pound		2.4217	
Finland	Markka .....		.00420	
France	Franc .....		.00276	(7)
French Africa	Franc .....		.00552	(8)
French Pacific ...	Franc .....		.01518	(9)
Germany	D Mark .....		.2300	
Greece	Drachma ..		.03219	
Guatemala	Quetzal ..		.9659	
Haiti	Gourde .....		.1932	
Honduras	Lempira ...		.4830	
Hong Kong	Dollar	Free .....	.1631	*Dec. 24
Iceland	Krona	Official .....	.05931	
		Special buying .....	.04567	
		Special selling .....	.03680	
India	Rupee .....		.2019	
Indonesia	Rupiah	Basic .....	.08473	(10)
Iran	Rial	Certificate .....	.01160	
Iraq	Dinar		2.7046	

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 7	Notes (See below)
Ireland	Pound .....	.....	2.6925	
Israel	Pound	Official .....	.9659	
		Premium .....	.5366	
Italy	Lira .....	.....	.00155	
Japan	Yen .....	.....	.00268	
Lebanon	Pound	Free .....	.2972	
Mexico	Peso .....	.....	.07728	
Netherlands	Guilder .....	.....	.2545	
Netherlands Antilles	Guilder .....	.....	.5122	
New Zealand	Pound .....	.....	2.6925	
Nicaragua	Cordoba	Effective buying .....	.1463	(11)
		Official selling .....	.1370	
		With Surcharge I .....	.1200	
		With Surcharge II .....	.09611	
Norway	Krone .....	.....	.1352	
Pakistan	Rupee .....	.....	.2920	
Panama	Balboa .....	.....	.9659	
Paraguay	Guarani	Basic .....	.04600	(1)
		With Surcharge I .....	.03577	
		With Surcharge II .....	.02633	(12)
Peru	Sol	Certificate .....	.05084	
Philippines	Peso .....	.....	.4890	tax 17% (2)
Portugal	Escudo .....	.....	.03371	(13)
El Salvador	Colon .....	.....	.3864	
Singapore & Malaya	Straits dollar .....	.....	.3141	
South Africa (Union of)	Pound .....	.....	2.6925	
Spain & Dependencies	Peseta	Basic buying .....	.04411	
		Basic selling .....	.08609	
		Basic commercial selling .....	.05881	(1)
		Free .....	.02480	
Sweden	Krona .....	.....	.1867	
Switzerland	Franc .....	.....	.2254	
Syria	Pound	Free .....	.2704	*Nov. 10
Thailand	Baht	Official .....	.07728	(1)
		Free .....	.04489	*Oct. 29
Turkey	Lira .....	.....	.3450	
United Kingdom	Pound .....	.....	2.6925	
United States	Dollar .....	.....	.9659	
Uruguay	Peso	Official .....	.6359	
		Basic buying .....	.5427	
		Special buying .....	.4110	(1)
		Basic selling .....	.5084	
		Special selling .....	.3943	
Venezuela	Bolivar .....	.....	.2883	(14)
Yugoslavia	Dinar .....	.....	.00322	

* Latest available quotation date.

notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective selling rate is official rate plus auction price of currency certificates. Effective buying rate for other than coffee is 80 per cent at official rate, 20 per cent at free rate.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33½ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

J. C. Britton, Commercial Counsellor in Tokyo, Japan, began his Canadian tour in Vancouver on November 26th. His itinerary for the next three months is:

Ottawa—Jan. 17-28

Brantford—Jan. 31

Hamilton—Feb. 1-2

Niagara: Welland: St. Catharines—Feb. 3-4

Windsor—Feb. 7-8

London—Feb. 9-10

Sarnia—Feb. 11

Guelph: Kitchener—Feb. 14

Oshawa—Feb. 16

Kingston—Feb. 17

Brockville—Feb. 18

Montreal—Feb. 21-March 4

Quebec City—March 7

Arvida—March 8

St. John's (Nfld.)—March 10-11

Saint John: Halifax—March 14-15

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Halifax, Montreal, Saint John.

Chamber of Commerce—Arvida, Brockville, Hamilton, Kingston, Kitchener, London, Niagara, Oshawa, Quebec, St. Catharines, Sarnia, Welland, Windsor.

Department of Trade and Commerce—Ottawa, St. John's (Stott Bldg.).

Control of Transit Movements through Canada

ON JANUARY 16th, new regulations will come into effect which are designed to forestall diversion in transit of strategic materials. These regulations are similar in effect to controls being enforced in other countries which co-operate with Canada in the control of exports of strategic goods.

The regulations in Canada cover goods on the Export Control List when they are unloaded in Canada for trans-shipment onwards to any of the countries listed in the Area Control list, which are the Soviet Bloc countries plus Hong Kong and Macao.

Legitimate trade movements to Soviet Bloc destinations requiring trans-shipment in Canada will experience a minimum of difficulty in complying with the regulations. Such trans-shipments may be legally effected on the presentation to the customs authorities of a valid Transit Authorization Certificate

issued by the Government of the country from whence the goods came, or in Canada by the Minister of Trade and Commerce.

Canadian exporters shipping goods from Canada which come within the regulations and which are to be trans-shipped in a country co-operating with Canada in the transit authorization scheme, should apply to the Export and Import Permit Section of the Department of Trade and Commerce for a Transit Authorization Certificate. This certificate will need to be forwarded with the shipping documents for submission to the authorities of the country in which the goods are to be trans-shipped.

Copies of the trans-shipment regulations and any further information required may be obtained on request from the Director, Transportation and Trade Services Division, Department of Trade and Commerce, Ottawa.



take a log

. . . peel it, and chip it, and cook it, and wash it, and dry it—and you have wood pulp—a useful commodity.

Take an idea—*can we sell more wood pulp?* Consult the industry itself, the Commodities Branch of the Department in Ottawa, and the Trade Commissioners in the field. Peel away the non-essentials, break the subject down by areas, process the facts with the knowledge and hard work of many people—and you have a wood pulp issue of *Foreign Trade*—also a useful commodity.

Canadian businessmen recognize and draw on the accumulated experience, knowledge and facts presented to them in each issue of *Foreign Trade*. Because of this, more and more people—take *Foreign Trade*.